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of Tired Blood

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Andropov Warns Kohl on Missiles

Says U.S. Deployment Will Create Military Threat to West Germany

By Serge Schmemmann
New York Times Service

MOSCOW — Yuri V. Andropov, Soviet Foreign Minister, warned Chancellor Helmut Kohl on Tuesday that deployment of new U.S. missiles in West Germany would create a serious new military threat to West Germany, damage its relations with Moscow and line the political gulf between East and West Germany with "thick palisades of missiles."

In talks that a West German spokesman said were "hard and thorough," Mr. Andropov declared it was a "profound and dangerous delusion" to think that the new missiles would make Moscow more liable to make negotiating concessions.

"If it comes to deployment," Mr. Andropov told Mr. Kohl, according to a transcript published by Tass, "we will neither surrender our positions nor weaken our defenses, but take prompt and effective measures in response to ensure the security of the U.S.S.R. and its allies."

Mr. Andropov met with Mr. Kohl twice Tuesday — once alone with translators and once with their foreign ministers, Andrei A. Gromyko and Hans-Dietrich Genscher — after canceling all of Monday's scheduled events for "personal reasons."

West German sources said Mr. Andropov appeared "somewhat hindered in his movements," especially of his left hand Tuesday, but was fully alert and entirely in control of the talks. There were unconfirmed reports that Mr. Andropov's absence Monday had been because of a kidney ailment.

Soviet television showed Mr. Andropov smiling and chatting amiably at the outset of the meeting, and the West German sources said he told Mr. Kohl it had been his "deepest wish" to have been present at Monday's meeting and banquet. His place at those events was filled by Prime Minister Nikolai A. Tikhonov.

Many of Mr. Andropov's points Tuesday had been made Monday in his banquet address given by Mr. Tikhonov, but the Soviet leader was considerably more explicit in describing the threat to West Germany should it permit deployment of the new weapons.

Invoking anew the warning that Moscow might retaliate for the North Atlantic Treaty Organization's new missiles by deploying its own new missiles in Eastern Europe, specifically East Germany and Czechoslovakia, Mr. Andropov asked what Mr. Kohl hoped to gain if the new deployments led to the "oversaturation of Central Europe with all types of weapons of mass destruction."

Mr. Andropov insisted that Soviet medium-range missiles now targeted on Europe were "merely a counterbalance" to existing Western systems and not aimed at West German armed forces.

"But if American missiles are deployed on West German soil, the situation will change," he continued. "The military threat to West Germany will grow manifold. Relations between our two countries will be bound to suffer certain complications as well. As for the Germans (in East and West Germany), they would have, as someone recently put it, to look at one another through thick palisades of missiles."

"It was the most explicit threat to date that Moscow would plant new missiles in East Germany in retaliation for a deployment of new U.S. arms. But probably more significantly for Mr. Kohl, it was phrased as a direct threat to the prospects of German reunification, on which he has placed great stress since taking office."

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Chancellor Helmut Kohl, left, and his foreign minister, Hans-Dietrich Genscher, center, walked to the Kremlin for a meeting Tuesday with the Soviet leader, Yuri V. Andropov.

Israel Signals Decision For Unilateral Pullback Under Terms of Accord

By David B. Ottaway

Washington Post Service

JERUSALEM — Israel signaled to the United States and Lebanon on Tuesday that it has already decided to go ahead with the redeployment of troops in southern Lebanon and proposed that the redeployment be done within the framework of the Israeli-Lebanese withdrawal agreement, despite Syria's rejection of the pact.

Briefing reporters on talks Tuesday between Foreign Minister Yitzhak Shamir of Israel and his Dutch counterpart, Hans van den Broek, a senior Israeli official said that the Dutch minister had been told that Israel "will have to redeploy in stages" in Lebanon and that the Israelis hoped the Lebanese Army, together with the UN Truce Supervision Force and the U.S.-led multinational force, would be able to fill the vacuum.

Shortly afterward, Deputy Foreign Minister Yehuda Ben-Meir told a gathering of U.S. Jewish leaders that Israel wanted the action to be taken within the framework of the May 17 Israeli-Lebanese accord.

"We have no intention of letting the Syrians undermine the agreement," Mr. Ben-Meir said. "If the Syrians prevent its full implementation because of their obstinance and refusal to leave Lebanon, we have got to sit with the Lebanese and the Americans... and begin to coordinate between ourselves a more gradual implementation of the agreement."

The first step, he said, should be a redeployment of Israeli forces, "the area that we have been handed over in an orderly fashion to the Lebanese Army so that the government of Lebanon can begin to do what it says it wants to do, to extend its sovereignty over more and more of the land."

The proposal represents a 180-degree change in the Israeli position of not going ahead with the agreement and withdrawal of its forces unless Syria and the Palestine Liberation Organization also agreed to pull their forces out of eastern and northern Lebanon.

Apparently hoping to meet Lebanese demands that any partial pullback be part of a total withdrawal, Mr. Ben-Meir suggested a timetable the eight to 12 weeks specified in the Israeli-Lebanese accord. But it was not clear whether he was referring to the initial redeployment or to a total evacuation as provided under the agreement.

His speech, coming on the eve of the arrival in Jerusalem of the U.S. secretary of state, George P. Shultz, appeared to be an Israeli attempt to find some way to follow its redeployment plans and still preserve its agreement, which falls just short of a peace treaty, with Lebanon.

Mr. Shamir's reported remarks to the Dutch foreign minister and Mr. Ben-Meir's statement, when taken together, seem to indicate that the Israeli government has already decided on a redeployment of its forces southward and is simply seeking a way to put it within a slightly modified version of the accord with Lebanon, in a way that is acceptable to all parties.

So far as is known, the Israeli cabinet has yet to discuss or approve formally any redeployment plan. The interministerial defense committee is not scheduled to meet until Wednesday to consider various options drawn up by the army for such a move.

Thus, the statements by Mr. Shamir and Mr. Ben-Meir may be simply an Israeli attempt to forestall pressure from Mr. Shultz to call off its redeployment. Redevelopment is seen as the Israeli euphemism for a partial withdrawal. The statements also may be an attempt to counter a reported U.S. proposal for a unilateral and total Israeli withdrawal within a fixed timetable.

The idea, which the U.S. envoy, Philip C. Habib, was reported to have raised with Prime Minister Menachem Begin in his talks last Monday, was at first vehemently rejected by Israeli officials and criticized for weakening Israel's bargaining position.

At the time of the signing of the Israeli-Lebanese accord, Israel also signed a side agreement with the Shultz appears to make little headway in finding a formula for a pullout from Lebanon. Page 2.

United States absorbing it from going through with its implementation if Syria and the Palestine Liberation Organization refused to pull out of Lebanon.

Until today, there was no indication at all that Israel might consider a withdrawal and the implementation of the accord in light of Syria's total rejection of it. But, apparently, within the last few days, the Israeli government has decided to try a different way, aimed at saving the accord. The agreement is the second Israel has signed with an Arab nation, the first being with Egypt.

It was not known whether Israel had communicated its idea to the United States and Lebanon.

Also unclear from Mr. Ben-Meir's comments, made in a speech to the fourth international conference of the Rabbinical Council of America, was whether Israel intended eventually to go through with a total evacuation of its estimated 20,000 troops stationed in southern Lebanon under what he called "a more gradual implementation of the agreement."

Mr. Shamir was reported to have told Mr. van den Broek, "We will have to remain in the southern part of Lebanon."

Analysts in Jerusalem were intrigued by Mr. Shamir's reported reference to the United Nations force as well as the multinational force in Beirut filling the vacuum left by an Israeli pullback.

Heretofore, Israel has rejected any role for the UN peacekeeping force within the "25-mile-deep (40-kilometer) security zone that it wants to establish."

Steel Quotas, Tariffs Ordered by Reagan

By Stuart Auerbach

Washington Post Service

WASHINGTON — President Ronald Reagan on Tuesday put a combination of stiff quotas and tariffs on all specialty steel products imported into the United States in order to protect the domestic industry from "the pervasive nature of unfair trading practices" around the world.

Mr. Reagan said his action was aimed at forcing other nations back to a competitive trading system in specialty steel, and he held out the promise of special negotiated quotas for countries ready to stop subsidizing their products and open their markets to U.S. goods.

"I am hopeful we have used a sufficiently strong two-by-four to indicate that we just can't continue to tolerate a world system that is totally trade distortive, where governments intervene at will without any consideration of international rule. If we can get that kind of practices we can get to a true open competitive system," said William E. Brock, the U.S. trade representative, at a briefing here on the presidential decision.

Mr. Brock said Mr. Reagan's decision falls within the free-trade declaration in May at the Williamsburg summit. "It's a bad day for Williamsburg," he commented.

The decision comes at a time when many U.S. allies are questioning a series of moves aimed at protecting U.S. industries from foreign competition — all reportedly

to combat unfair trading practices of other nations.

These include asking Japan to limit auto exports to the United States, setting high quotas on imported heavy motorcycles and selling subsidized wheat flour to Egypt to capture a market from the French.

Under the complex Reagan scheme, the steel tariffs and quotas hold for four years, decreasing each year while the amount of specialty steel allowed to be imported increases.

Tariffs were placed on two forms of flat rolled products, which make up 55 percent of all U.S. specialty steel imports. The tariffs, set at 10.5 percent duties already in force, start at 10 percent the first year for sheet and strip and decrease in steps to 4 percent the fourth year.

The added tariff on plate starts at 8 percent and ultimately will go down to 4 percent.

The quotas on bar steel go from 27,000 tons the first year to 29,500 tons the fourth; on rod from 19,100 tons the first year to 20,900 the fourth, and on alloy tool steel from 22,400 tons the first year to 24,500 the fourth.

Last year the United States imported 40,053 tons of bar, 21,851 tons of rod and 40,058 tons of alloy tool steel.

The quotas and tariffs apply to all countries selling specialty steel to the United States. Major suppliers listed by the White House are Japan, West Germany, Sweden, France, Spain, the United Kingdom, Brazil, Canada, South Korea and Italy.

U.S. Emergency Jobs Program Gets Off to a Slow Start

By Jane Paolone
New York Times Service

NEW YORK — Three months after it became law, the \$46-billion federal emergency jobs program has produced few of the new jobs it was designed to create. Most of the money is tied up in red tape and debate over how it should be spent.

The law was enacted April 1 after being rushed through Congress as a response to the U.S. unemployment problem, and supporters estimated that it would eventually lead to the creation of 400,000 new jobs.

A second measure aimed indirectly at reducing unemployment, the 5-cent-a-gallon increase in the gasoline tax, also went into effect April 1, and officials say its success is difficult to measure.

The emergency job program increases funds for dozens of existing federal aid programs, from repairing government buildings to helping families that have lost their medical insurance. More than three-fourths of the money was directed to creating public works jobs, but much of the program has yet to move beyond the planning stages, according to a survey of several states and cities.

State officials defend the delay in the spending of the

planning and proposing construction projects is normal.

"We're not getting the money out as expeditiously as the tone and manner of the emergency jobs bill would suggest," said Mary Anne Marsh of the Massachusetts office for federal-state relations.

"If a town wants to build a library with job bill funds it has to hire an architect, draw up plans, hold town meetings, reach a consensus and then submit proposals" to the federal government, she said. "If we talked a year from now, I wouldn't be surprised if the money was still trickling in."

Political disputes have contributed to the delays, some officials say.

"There was considerable debate between the executive and the legislative branch, and between the two houses of the legislature, as to what the funds should be used for," said Hugh O'Neill, New York state deputy secretary for economic affairs in Albany. Lobbying was especially intense by social service groups, he said. Some favored more day-care programs while others wanted help for homeless people and others championed emergency nutrition programs.

Accordingly, final legislative approval for spending the \$50 million that New York state will receive was not voted until the last weekend in June.

"If a clearly defined intent to get the work out as quickly as possible, but bureaucracy can slow things down and this may be one of those cases," said Michael Rattigan of the California League of Cities, which is monitoring the progress of \$117 million in public works grants to its 434 member cities.

Not surprisingly, the quickest spending has been on labor-intensive projects for unemployed workers and young people with few skills. In California, 1,000 youthful California Conservation Corps workers will begin three months of work in state parks for \$581 a month, paid for by a \$2.7-million grant under the job bill.

In Michigan, an estimated 25,000 people, most of them men and women in their 20s who have been laid off, have been put to work on maintenance projects with money that came in part from the bill.

Municipalities have tried to reduce the lag by starting planning before the money can be spent. New York City has completed planning for the distribution of the \$952 million the city is to receive for community development, even though the money is not expected to be received until the end of this month at the earliest.

The job bill's main segments are \$2 billion geared to public works projects, \$1.5 billion in economic aid to com-

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Saudi Arabia Begins To Slow Its Spending

By Joseph Fitchett

International Herald Tribune

RIYADH — After a decade-long binge of spending and building fueled by gigantic financial surpluses, Saudi Arabia has started tightening its purse strings in response to plunging oil revenues — a process whose extent and potential social impact is unpredictable.

Austerity, Saudi style, remains comfortable compared to that of most countries, with Western analysts predicting continued economic growth even this year. But the Saudi government, with a characteristic lack of any public explanation, is quietly moving to minimize the effect of spending cuts on Saudi Arabians, particularly on the influential business class that emerged during the oil boom.

Some foreign businesses are already being hurt by delayed payment, fewer contracts and many layoffs. And Saudi aid to other countries will decline, with a corresponding decrease of Saudi regional influence, diplomats said.

But, at least for the next year or two, Saudi Arabia's prospective budget deficits, perhaps as much as \$20 billion this year in contrast to recent annual surpluses averaging \$40 billion, are not expected to be big enough to constrict significantly the international liquidity situation.

Nor will the loss of Saudi spending power, several Western analysts said, dampen the securities market in the United States, where Saudi Arabia has been a big, regular customer for government bonds.

The core of Saudi Arabia's problem is the plunge in world oil demand, particularly drastic because Saudi Arabia agreed to tighten world markets for the Organization of Petroleum Exporting Countries.

As a result, Saudi production, which has run as high as 10 million barrels a day, fell earlier this year to below three million barrels a day, according to Saudi sources.

This will probably bring Saudi oil income down this year to less than half the 1981 figure of \$112 billion, perhaps even down to \$40 billion.

Explaining why the dramatic drop in income will not undermine the country's stability, Saudi officials said that the country can use a period of economic cooling off and consolidation.

After spending half a trillion dollars since the oil-price rise in 1973, Saudi Arabia has built more modern facilities than its estimated five million people can use, and the society needs time to catch up, according to an influential prince who agreed to discuss the problem on condition he not be named.

"The cuts won't be felt by ordinary Saudis," he said.

But nobody can say with certainty when and how much Saudi Arabia's oil exports will recover. Moreover, some officials acknowledge that social tensions could surface if Saudi businessmen and bureaucrats, who are used to sharing a constantly growing pie, start having to compete.

In addition, financial information starting to emerge suggests that the government's room for maneuver is more limited than has been widely assumed.

Theoretically, Saudi Arabia can maintain its development momentum by spending its reserves of foreign currencies and investments, usually estimated at \$150 billion. But several sources with access to figures of the Saudi Arabian Monetary Authority said the actual amount is \$123 billion, of which only \$90 billion is free of political

(Continued on Page 2, Col. 4)

Mitterrand Rules Out World's Fair in Paris

By E.J. Dionne

New York Times Service

PARIS — The French government on Tuesday abandoned plans to hold a 1989 world's fair here, ending months of controversy over an exhibition that the ruling Socialists had hoped would be a tribute to their achievements, and France's, on the 200th anniversary of the French Revolution.

Announcing the cancellation of the project, Michel Vauzelle, President Francois Mitterrand's spokesman, sought to place the blame for the decision on the mayor of Paris, Jacques Chirac.

Mr. Chirac, who is also the leading figure of the center-right opposition, said on Monday that holding the fair in Paris would be too expensive, disrupt life in the city and lead to unreasonable local tax increases.

Mr. Vauzelle took note of "the unfavorable advice from the elected officials responsible for Paris and the Paris region" and said: "The President of the Republic, who announced that nothing would be done without the agreement of the elected officials, has asked the government to shelve the file."

Mr. Vauzelle said in an interview afterward that the decision reflected the Socialists' belief in decentralizing political decision-making.

However, the national government may welcome a chance to be rid of a project whose potential cost, estimated to run from \$200 million to \$800 million, ran counter to its austerity program, which involves cutting public spending and private consumption.

The world's fair, which was to be based on the theme "The Paths of Liberty: A Project for the Third

Millennium," was one of a series of Socialist building proposals that would be monuments to their tenure.

Mr. Mitterrand said in 1981: "Through this exposition, there would be a site open to the imagination, to the work of art, to the artisans, to the humble and great callings, to all that would permit France to feel itself younger."

Its supporters argued that the fair would create jobs, and the tourism generated would outweigh the costs.

Mr. Chirac and Michel Girard, president of the Paris Regional Council, had argued that national government, not localities, should pay the cost of the fair. Supported by some ecological groups, the two conservative politicians also argued that setting up the exhibit could disrupt the daily life of Parisians for up to four years. They urged that an alternative site outside the city be considered.

They praised Mr. Mitterrand for making "a decision of wisdom" in abandoning the fair before an "irreversible situation" was created.

But a number of leading Socialist politicians criticized Mr. Chirac. Among them was Jack Lang, the culture minister, who said Mr. Chirac had "struck a blow against France's international trust."

France was chosen by the Bureau of International Exhibitions, which arbitrates among applicants for world's fairs, over Chicago and Seville, Spain. These two cities were jointly awarded the chance to hold 1992 exhibitions, to celebrate the 500th anniversary of Columbus's voyage to America. France's decision opens up the 1989 date, which is the 25th anniversary of the last world's fair in New York City.



Vice President George Bush, left, having a beer with patrons of a pub in Dublin.

Bush Says Reagan Will Run in '84

The Associated Press

DUBLIN — U.S. Vice President George Bush said Tuesday that President Ronald Reagan will run for reelection in 1984 and that he expects to be Mr. Reagan's choice as running mate.

Mr. Bush was asked at a news conference to conclude a 24-hour visit to Dublin if Mr. Reagan, 72, would seek a second term. "Reagan will run and Reagan will be elected," he replied. "He kindly suggested that I run with him."

Mr. Bush said his prediction of victory was based on "the improvement in the U.S. economy. If the trend keeps continuing, this president will be very hard to beat."

Earlier Tuesday, at a ceremony honoring Ireland's patriots, 180 demonstrators booed Mr. Bush in a protest against U.S. nuclear weapons and Washington's support for rightist regimes in Central America.

When Mr. Bush arrived at Dublin's Garden of Remembrance to lay a wreath, the protesters shook fists and shouted, "Bush Out." Among the demonstrators were members of Sinn Fein, the legal political wing of the outlawed Irish Republican Army.

Mr. Bush arrived in Dublin on Monday on the seventh stop of an eight-nation tour of Western Europe to explain the U.S. military expansion and the administration's policies in Central America.

[Later Tuesday, Mr. Bush arrived in Iceland for a three-day visit, the last of his two-week tour, Reuters reported from Reykjavik. He was scheduled to have talks with the new center-right administration that came to power in elections last April.]

[Mr. Bush also planned to visit a U.S. base at Keflavik, just outside Reykjavik. The United States is responsible for defending Iceland, which has no armed forces of its own.]

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Little Progress Seen In Shultz Mideast Trip

By Philip Taubman
New York Times Service

DAMASCUS — The U.S. secretary of state, George P. Shultz, appeared to make little headway Tuesday in his effort to find a formula for the withdrawal of foreign forces from Lebanon.

Mr. Shultz flew to Damascus for a meeting Wednesday with President Hafez al-Assad after receiving a modest endorsement of his efforts from Saudi Arabia and a gentle prod from Lebanon to get Israel to move ahead with its agreement to withdraw from Lebanon.

Mr. Shultz maintained an upbeat tone about his meetings with Saudi and Lebanese leaders and spoke favorably about the prospects for developing a dialogue with Syria about "mutual interests that go beyond" the issue of Syrian withdrawal from Lebanon.

But senior U.S. officials traveling with Mr. Shultz said that they saw little prospect of breaking the impasse over the withdrawal of foreign forces from Lebanon. Barring some unexpected concession from Mr. Assad, they suggested that Mr. Shultz would return to Washington on Friday with a fairly bleak assessment of the situation.

Syria has refused to enter withdrawal talks with Lebanon similar to those earlier this year between Israel and Lebanon. Those talks, in which Mr. Shultz acted as an intermediary, led to a security agreement between the two nations and a commitment by Israel to pull its forces out of Lebanon if Syria and the Palestine Liberation Organization did the same.

Early Tuesday, Mr. Shultz met in Saudi Arabia with King Fahd. Mr. Shultz later described the talks, which took place between

midnight and 2 A.M., as "worthwhile and constructive."

He said, "It was gratifying to see with King Fahd that we continue to share the objectives of the removal of all foreign forces from Lebanon."

The United States has sought Saudi help in trying to bring Syria to the bargaining table.

In brief remarks at the Jeddah airport before Mr. Shultz left, the Saudi foreign minister, Saud al-Faisal, said his nation "has cooperated in the past and will cooperate in the future" in efforts to help Lebanon achieve "its independence and territorial integrity."

But as he had done when Mr. Shultz arrived Monday, Prince Saud pointedly mentioned no Israeli withdrawal from Lebanon as an important step in the peace process but did not talk about a Syrian withdrawal.

Asked why he had singled out Israel, Prince Saud said: "We don't equate the two forces. The Israel forces are occupying forces."

The Saudis, however, according to the U.S. officials, do want to see the restoration of an independent Lebanon and are willing, up to a point, to press Syria to get out.

During his four-hour visit, Mr. Shultz met with Lebanese leaders, including President Amin Gemayel and Foreign Minister Elie Salem.

A senior Lebanese official who briefed reporters indicated that Lebanon was growing impatient about the pace of implementation of its agreement with Israel, which was signed in May.

"We'd like to hear from the U.S. officials on proper measures to have the agreement implemented," the official said.

Mediators Fail to Heal Split in PLO

To Return to Tunis
For Consultations

Compiled by Our Staff From Dispatches

DAMASCUS — A six-man mediation team that has failed to heal the split in the PLO said Tuesday it would have to return to Tunis for further consultations with the PLO executive committee on the revolt against Yasser Arafat.

Before leaving Wednesday for Tunisia, the mediation team planned a second meeting with the Syrian foreign minister, Abdel Halim Khaddam, to discuss the rift between Mr. Arafat and Syria.

The mediation committee chairman, Khalid Fahum, said some positive results were achieved during the committee's three days of meetings with the rebels inside el-Fatah. Mr. Arafat's guerrilla group and the largest in the Palestine Liberation Organization. But final agreement on all their demands had not been reached.

He said further consultations would be needed with the PLO executive committee in Mr. Arafat's Tunis headquarters before negotiations resume with the rebels in Damascus.

Mr. Fahum strenuously denied charges that Mr. Arafat had offered to withdraw his forces from Lebanon's Bekaa Valley, where Beirut's official radio said occasional outbreaks of shooting between rebels and loyalists occurred again Tuesday.

He gave no indication of what ideas the committee had brought or the nature of the progress made.

A committee spokesman, Abdel Mohsen Abu Mayzar, said the final solution of the battle between Mr. Arafat and the rebels would come in a general congress of Fatah, but no agreement had yet been reached on convening a congress.

The rebels are demanding that Mr. Arafat issue an absolute rejection of U.S. President Ronald Reagan's Middle East peace proposals. They also demand that he cede some power by forming a collective leadership for Fatah that would include Nimr Saleh and other rebels.

Mr. Saleh indicated that an offer of an emergency committee to run Fatah and prepare for a general congress had not been made.

Meanwhile, Major Abu Ahmed Ismail, the PLO officer in charge of security in the eastern Lebanon city of Baalbek, said Tuesday that he and 300 guerrillas under his command were joining the mutiny against Mr. Arafat.

Independent sources in Baalbek, however, said Major Ismail's men did not exceed 150 and that most of them were Lebanese volunteers.

Norwegians Back Military
The Associated Press

OSLO — Almost nine out of 10 Norwegians say Norway should continue to maintain a military defense, according to a survey for the defense organization People and Defense released Tuesday. The favorable response was the highest since the annual poll began in 1969.



Gennadi Batashov arriving at a West German court to stand trial for espionage.

Bonn Tries Russian for Bid to Steal NATO Codes

REUTERS

DUSSELDORF — A member of the Soviet trade mission, allegedly caught trying to buy details of NATO computer codes, went on trial here Tuesday, accused of espionage.

Gennadi Batashov, who is with the trade mission in Cologne, was arrested in February as he accepted what he thought were secret documents from a West German contact in Cologne, authorities said.

The 42-year-old engineer, who has no diplomatic immunity, was charged by the West German federal prosecutor with using his position at the trade mission to try to obtain classified information about computer electronics.

He denied the charges Tuesday, calling them a deliberate provocation designed to harm relations between Bonn and Moscow.

The indictment said that Mr. Batashov had tried to obtain technical plans from the computer firm that built a data communications system exclusively for use by the North Atlantic Treaty Organization and West German security authorities.

A former marketing manager of the company, based near Frankfurt, told the court he had met Mr. Batashov on 12 occasions to make it seem he was interested in the deal.

The manager said he had provided Mr. Batashov, who has been held in prison since his arrest, with computer plans that contained no secrets. He said he received around 5,000 Deutsche marks (\$2,000) for the information.

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Saudi Arabia Quietly Slows Spending

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and financial strings and available for deficit financing.

More restrictive measures seem almost inevitable, perhaps as early as this fall. The handling of the whole question has been a policy discussion behind the scenes in Saudi Arabia for months. The outcome apparently was a factor in the abrupt departure two months ago of the monetary authority's highly regarded governor, Abdul Aziz Qurashi.

Mr. Qurashi, like many other Saudi technocrats, felt that the kingdom should announce an immediate belt-tightening to dramatize the need for more economic rigor, according to authority sources.

Suggested moves included cancellation of some prestige projects, measures aimed to curb lavish personal spending with the royal family setting, an example, imposition of duties on luxury imports and cancellation of government subsidies providing almost free gasoline and utilities.

This approach would also offer some protection for Saudi Arabia's foreign reserves, which are the basis of the country's international financial role.

Instead, the government is proceeding, for now at least, as if little

has changed, while starting a discreet retrenchment and spending its "rainy day" reserves during the present squall.

King Fahd, who has been on the throne for a year, apparently prefers this spending policy, which is popular with Saudi Arabia's business class and which is the course of least resistance.

No ongoing project has been stopped, and Finance Minister Mohammed Aba al-Khalil insists that one will be.

Rather than proceed on the assumption of severe, durable curtailment of their funds, Saudi leaders are naturally hoping something will turn up. In 1978, when the country had budget problems, the Iranian revolution suddenly drove up oil prices and demand, handily bailing out Saudi planners.

Meanwhile, with Saudi Arabia's budget this year cut by 30 percent by the relatively painless process of postponing new projects, the government has indicated that all economy measures will be shared equally by all sectors.

A useful tactic in this campaign is stretching out contracts and, more critically, stretching out payments. Contractors, some in financial difficulties, report payment arrears of four to six months.

Slower disbursements save the kingdom an estimated \$5 billion a year. Mr. Khalil has denied that the government is deliberately delaying payments.

With no new projects starting, companies, from giants such as Aramco and South Korean construction firms to small European operations, are slashing staff. The numbers of foreign workers, of all nationalities, are dropping, a welcome trend to many Saudis who worry about too much outside influence in their country.

Less welcome are the cuts certain to be made in foreign aid, a senior Saudi source said. While Saudi Arabia intends to maintain

its level of loans and dues in the World Bank and the International Monetary Fund, he said, the only immune aid program will be payments to Gulf neighbors and to influential Arab countries such as Syria and Jordan.

Mr. Khalil said that is a kind of political insurance for the kingdom.

There will be less for other Muslim countries, and still less for other Third World countries, the source indicated.

The great hope, invariably invoked by Saudi officials, is that Saudi Arabia's burgeoning industrial private sector will be stimulated by tougher times to become more productive, thus maintaining prosperity.

"Our plans are unchanged," a member of the royal family said, "because we are expecting that the business sector, especially construction, has become rich enough and enterprising enough to start creating work for others."

Saudi entrepreneurs in recent years have invested in contracting and light manufacturing and maintenance firms, and they will be helped by recent "buy Saudi" rules requiring that all service contracts and 30 percent of all subcontracts go to Saudi companies. Rules have also been introduced to break down projects into units that Saudi-owned companies can manage.

For U.S. businessmen, Saudi Arabia is expected to remain by far the biggest Middle East market. U.S. exports worth \$9 billion last year, combined with reduced oil imports, gave the United States a favorable trade balance with the kingdom for the first time in many years. But the market, analysts said, will shift away from construction to maintenance, training and agricultural development.

For Saudis, the new austerity could be just a phase or, if it lasts, the test of whether they can manage the society that has risen out of the sand so fast.

WORLD BRIEFS

3d Day of Protest Planned in Chile

SANTIAGO (UPI) — An opposition front representing outlawed political parties, labor organizations and professional groups announced Tuesday that it would support another day of national protest against the regime of President Augusto Pinochet on July 12.

President Pinochet has said he would not tolerate another day of protest. At least five persons were killed in similar demonstrations in May and in June, and scores of labor leaders and political activists were arrested, including Rodolfo Seguel, president of the copper workers' union.

The group is made up of political activists of the Christian Democratic, Radical and Socialist parties, representatives of the national union coordination movement, which includes Communist labor leaders, and a national leader of the truck owners' association, Leon Vilamin. It is led by Jorge Lavandero, who was a Christian Democratic deputy before the legislature was closed in 1973.

Walesa Bosses Confirm Job Risk

WARSAW (UPI) — Lech Walesa's bosses at the Lenin Shipyard in Gdansk confirmed Tuesday that the leader of the banned trade union Solidarity, who started an unauthorized two-week holiday Monday, could be fired unless he was back by Wednesday afternoon.

Danuta Ozki, the yard's personnel director, said that if he were not back by 2 P.M., the end of the regular work shift, "we'll be entitled to take disciplinary measures." Unauthorized absences from work are routinely punished by dismissal, Miss Ozki said.

Mr. Walesa had been refused a request for a July or September holiday. An aide at his apartment said Tuesday: "He was fully aware of the risk before he left. He could change his mind about continuing the vacation, but there's only a small chance that will happen."

Bulgaria Quits Psychiatry Group

VIENNA (Reuters) — Bulgaria has followed the Soviet Union and Czechoslovakia in quitting the World Psychiatric Association, saying the organization had become a political tool of the West, the association said Tuesday.

A spokesman for the Vienna-based association, which now has 73 member countries, said Bulgaria's withdrawal, which came on June 20, was regrettable. The Soviet Union's Society of Psychiatry left the organization last February in advance of a motion to expel it because of accusations that the Soviet government commits political dissidents to psychiatric hospitals.

At a world congress on psychiatry, which is expected to attract more than 4,000 delegates to Vienna next week, political issues will be discussed, including alleged abuses in the Soviet Union, the spokesman said.

AIDS Strikes Africans in Belgium

BRUSSELS (Reuters) — Ten of the 11 dead in Belgium of acquired immune deficiency syndrome, or AIDS, were from Zaire and the other from Chad, health officials said Tuesday.

In all, 35 suspected cases have been registered in Belgium, the officials said. They added there was only one European among the cases, the others being Africans.

Dissidents Report Pakistan Arrests

KARACHI, Pakistan (Reuters) — Pakistani authorities rounded up scores of political dissidents Tuesday to prevent protests on the sixth anniversary of President Mohammed Zia ul-Haq's military rule, opposition sources said.

They said at least 50 people were arrested here for taking part in scattered demonstrations. The Movement for Restoration of Democracy, an alliance of eight banned political parties campaigning for an end to martial law, had called for a national protest to mark the anniversary Tuesday.

S. Africa Race Plan Prompts Rift

JOHANNESBURG (Reuters) — The Broederbond, a secretive brotherhood that counts almost all of South Africa's white leaders among its membership, faced its first public split Tuesday as its think tank rejected government plans for racial reform.

The group's South African Bureau for Racial Affairs said plans by the ruling National Party to give the country's mixed-race and Indian citizens a minor role in parliament would stimulate conflict between the races and lead to total integration. The government plan would still exclude blacks from policy-making.

On Monday night, Carel Boshoff, who is regarded as a conservative, resigned as Broederbond chairman, but remains head of racial affairs bureau. He was replaced as Broederbond leader by Jan P. De Lange, who is considered more moderate. Also, the government said Tuesday it would cut off the bureau's annual subsidy of an estimated 70,000 rand (\$64,000).

Malta Demands Hearing at Madrid

MADRID (UPI) — Malta demanded a meeting on Mediterranean problems at Tuesday's meeting of the Conference on Security and Cooperation in Europe, an action that threatened to hold up the conference's final document.

"They are trying to blackmail us," said a Western diplomat. Another accused the Maltese of trying to "terrorize" the 35-nation conference. The final document has to be signed by every nation. The Maltese action threatened to delay the conference at just the time a breakthrough appeared likely, allowing foreign ministers to come to Madrid later in the month for a closing ceremony.

The Madrid meeting, which began Nov. 11, 1980, was called to review compliance with the Helsinki Final Act, approved at a 1975 meeting of the Conference on Security and Cooperation in Europe, held in Finland. A similar review conference was held in Belgrade in 1977-78.

For the Record

BRUSSELS (Reuters) — The European Community's executive commission announced Tuesday a \$40-million aid package for Cyprus. The loans and grants will be spent over the next five years on industrial and agricultural development.

PARIS (AP) — All 23 occupants died in the crash of a North Korean IL-62 airliner in Guinea Friday, sources in Dakar, Senegal, said Tuesday. All the victims were reported to be North Koreans involved in finishing work on a conference hall being built in Conakry.

ANKARA (Reuters) — A powerful earthquake, apparently centered near the town of Canakkale, shook a wide area of northwestern Turkey on Tuesday. One report said five persons were killed and 25 injured.

Chad Calls On France For Direct Military Aid

NDJAMENA, Chad — President Hissene Habre of Chad appealed Tuesday for direct military backing from France and reported fierce fighting with advancing Libyan-backed rebels.

There were violent clashes Tuesday for control of two government-held outposts in northeastern Chad, at Oum Chalouba and Kallit, Mr. Habre told a press conference.

He said the southwest drive of Goukouni Oueddei's rebel army was aimed at capturing the key eastern city of Abéché, about 430 miles (700 kilometers) from Ndjamena.

Mr. Habre made the most unambiguous appeal to date for direct French military intervention, saying that the current shrift of arms and supplies from Paris was inadequate compared with Libya's support for the rebels.

"We have asked and we insist for France to participate at our side to repulse this external aggression," he said.

A spokesman for the French Ministry of External Relations in Paris declined to comment on Mr. Habre's call but recalled France's earlier insistence that it would not send troops or military advisers to Chad.

After the rebel offensive was launched two weeks ago, leading to the capture of the northern stronghold at Faya-Largeau, the French government appeared to rule out any possibility of sending an expeditionary force.

The minister of external affairs, Claude Cheysson, said France had no plans to get involved in an "elementary" way similar to the U.S. role in Central America.

The Habre government is now clearly hoping the French will view that position in light of the deteriorating military picture and the steady rebel advance.

Mr. Habre said his army's major handicap was its lack of air support. The Chadian Air Force consists of one manned DC-4 and, although Zaire sent three Machi fighters last weekend, Mr. Habre said they were insufficient.

He dismissed Libya's claim that it is neutral and echoed Western diplomatic reports that Mr. Goukouni's army was receiving substantial logistical support from Tripoli.

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By Martin Tolchin
New York Times Service

The administration itself proposed last March that foreign aid to Greece be conditioned upon a presidential certification that the United States had achieved "a satisfactory agreement with Greece" in negotiations on the U.S. bases there. The restriction was adopted by Congress.

Some restrictions are cosmetic. When Congress asked President Ronald Reagan to certify that the

Executive branch usually has other things on its mind. The only way to get their attention is a restriction."

Jerald A. Rosati, a professor of government at the University of North Carolina who has studied the issue at the Congressional Research Service, concludes that the involvement of Congress will be deep.


"Congressional involvement and influence will continue," he said, "unless a global calamity occurs which creates a chronic and constant state of national emergency for the U.S."

By Richard House
Washington Post Service

Mr. Motley's observation that the letter was written in a democratic spirit and that Mr. Soares was ignorant of U.S. policy prompted an angry inquiry from Mr. Soares about whether Mr.

By Richard Halloran

Senior air force officers have as-



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Philadelphia Convention Tries to Counter Criticism

By Gene L. Macroff

For 24 years, E. Scott Brown has been teaching high school mathematics in Montgomery County, Pennsylvania. He said he is trou-

Soviet Honors Jaruzelski
United Press International
MOSCOW — General Wojciech Jaruzelski, the Polish leader, has been awarded the Order of Lenin.

Mary Harwood Futrell, the high school business teacher from Arlington, Virginia, who is the association's president-elect.

Last check up before take-off.



Lufthansa
German Airlines

Herald Tribune

Published With The New York Times and The Washington Post

One Less U.S. Colony

American colonialism is still alive and well on 2,000 Micronesian islands strewn over 3 million square miles of the Pacific. It has not been a brilliant chapter, so there is the more reason to welcome the news that this embarrassing affair is finally ending.

By an agreement announced last week the United States is to pay the Marshall Islands \$184 million over the next 15 years as compensation for damage caused by nuclear tests. This clears the way for a "Compact of Free Association" with the islands, the last of the U.S. Pacific trust territories to accept an autonomy plan to be tested in a plebiscite.

Autonomy for Micronesia would shave the list of U.S. colonies to Guam, the Virgin Islands and American Samoa. The Philippines became independent in 1946. The Canal Zone reverts by treaty to Panama at century's end. In an anomalous category stands Puerto Rico, a self-governing commonwealth since 1952 but with its ultimate status still in dispute.

"Free association" for Micronesia means full autonomy in domestic matters and foreign economic policy, but letting the United States manage defense and diplomatic relations. Since many of the 125,000 Micronesian islanders are strangers to each other, the arrangement is inoffensive as well as practical.

World War II brought the U.S. flag to the islands, and American rule was formalized in 1947 when the United Nations declared Micronesia (except Guam) a "strategic trust" of the United States. It was a unique trusteeship, expressly granting military rights while calling for progress toward self-government — with-

out a termination date. The Marshall Islands were the strategic prize in this package, comprising 29 atolls, five coral islands and, today, 33,000 people. Here was Bikini, ideal for nuclear testing. And the curving lagoon of Kwajalein, a fine target for test missiles fired from Vandenberg Air Base in California, 4,200 miles away. Not so fine have been the human and social costs of the trust: the forced relocations of islanders, the environmental havoc and the bulldozing effect of American technology on indigenous cultures.

It has taken 14 years to negotiate the compensation and other separation terms. A reluctant Defense Department has now agreed to reduce the planned use of Kwajalein for missile tests from 20 to 30 years. If the islands and Congress agree, the Marshall Islands can be freely associated with the United States.

A similar plan has been approved by Palau and the Federated States of Micronesia, while a fourth chain, the Northern Marianas, has chosen a commonwealth status like Puerto Rico's. Moscow may belittle the deal in the United Nations, but the UN Charter foresees either self-government or independence for trust territories "as may be appropriate to the particular circumstances." And who has voted freely to associate with the Soviet Union?

Answering Soviet polemics will be the easier task. Nor will the financial settlement fully test American principle. To make free association work, Americans have to be willing to include remote peoples in the universal promise of life, liberty and a chance at happiness.

—THE NEW YORK TIMES

Car Quotas Are Costly

The Japanese government has served notice that it wants to end the quota that limits its exports of automobiles to America. The reaction from Congress is likely to be a roar of indignation, but the question to ask is why the American automobile manufacturers would still need protection from Japanese competition after a third year of those quotas.

The present quota will expire next spring — not only in an election year but in a year when the United Auto Workers will renegotiate wage contracts. The Japanese are now the only effective competitors with the American producers in the American market, and a tight lid on Japanese imports is an invitation to a substantial wage boost to be passed through to the consumer in higher prices. Labor compensation in the auto factories, counting the fringe benefits, is already close to twice the average for all American manufacturing.

The recent troubles of the automakers have been profound and by no means all of their own making. Tens of thousands of unemployed workers deserve special sympathy. But it is not easy to show that the past two-plus years of quotas have actually helped them much. By holding down the numbers of cars that the Japanese could ship, the quotas have probably speeded up the Japanese companies' shift from the lower end of the market into the

much more profitable middle. The quotas have held down the Japanese manufacturers' volume, but not their revenues.

With the economic recovery, automobile sales are rising rapidly. The time to peel off the quotas is when the market is expanding and employment is stable. Perhaps there is a case for doing it in stages, over a couple of years, so as to avoid a sudden great surge of imports. In principle that is a slightly dubious expedient, but in practice it offers the industry a measure of reassurance and may perhaps keep the issue of automobile protectionism out of the presidential campaign.

The one thing you can say for these year-to-year quotas is that they are certainly preferable to permanent protectionist legislation like the domestic content bill, which would require nearly every car sold in the United States to be in some proportion manufactured there. Although that bill is not likely to be passed by Congress and is even less likely to be signed by President Reagan, it is a genuine menace. Temporary quotas, expanding over time, would not be an intolerable price to pay for diminishing pressure to enact a far more damaging alternative. But the goal that best serves the American economy and consumers is a return to an unrestricted market.

—THE WASHINGTON POST

Other Opinion

Kohl in Moscow

The talks in Moscow between the Soviet leaders and the West German chancellor may prove to be the most important East-West contacts since President Reagan's assumption of power in Washington and the death of Mr. Brezhnev. They come at a time when East-West relations, after reaching their lowest ebb for many years, have just begun to show some slight signs of improvement. But the deadline for the deployment of the American intermediate-range cruise and Pershing-2 missiles is the end of this year. So Chancellor Kohl's Moscow trip is likely to usher in a few months of mounting diplomatic brinkmanship between Russia and the West, with the pressure of public opinion in the West, especially in West Germany, playing an important part.

—The Observer (London)

A Matter of Confidence

Despite official statements to the contrary, Japan's business-government combine is ready to extend its "voluntary" quota on auto imports for a fourth year, a signal of intense apprehension over an America viewed by Japanese as having lost its self-confidence and, consequently, become dangerous.

Although the official position is that the auto quota will not be renewed when it expires next spring, business and government officials say a one-year extension is the bare minimum. "Can you really imagine unrestricted auto imports ever resuming?" asked an official of the Ministry of International Trade and Industry,

better known as MITI. Japanese business is even willing to accept a similar limit on steel exports to the United States.

—Rowland Evans and Robert Novak

The Caliphs of Senegal

In February former President Leopold Senghor's handpicked successor, Abdou Diouf, won 84 percent of the presidential vote, and his party took 111 of the 120 parliamentary seats. But Senegal's two main brotherhoods, the Mourides and the Tijanyines, were the real winners. The role of the brotherhoods is difficult to explain to outsiders. They aren't political parties, although their members are highly nationalistic. They aren't religious organizations, although their rhetoric sometimes sounds like that of Islamic fundamentalists. They preach salvation through hard work. And their caliphs, or religious directors, make a practice of flaunting their wealth. In the recent election they discarded their traditional pretense of impartiality and campaigned openly for Mr. Diouf. Why? Fara Ndiaye, deputy leader of the Senegalese Democratic Party, the major opposition party, said, "The government favors economic development based on external aid and the export of peanuts. We want to grow less peanuts and more food." Few peanuts would cut into the business of the peanut oil monopoly, of which a principal shareholder is the caliph of the Mourides. After the election Mr. Diouf appointed a Mouride to the critical post of minister of rural development.

—The Nation (New York)

Europe in Confusion: Toward a Long, Hot Autumn

By Robert G. Kaiser

LONDON — If you could take a snapshot of European political attitudes this summer, the picture would be dominated by a threatening horizon, dark but vague.

"The horizon" begins in September. Europeans have become so civilized that they refuse to let important events occur in July or, especially, August. But September will bring what the Germans call *ein heisser Herbst* — a hot autumn. It is likely to be nasty.

West Germans are worried about the prolonged protests they expect against the deployment of new American missiles, scheduled to begin in December. Some politicians say with grim certainty that people will probably die in the protests, which many expect to be the biggest and most violent in the nation's history.

This is not the only source of European anxiety about the months ahead. The weeks since Margaret Thatcher's re-election have been filled with news of thousands of new

layoffs by British industries, and Mrs. Thatcher has announced a "program" for her new government that, on the central issue of unemployment and recovery, contains nothing new. Many Britons remain impressed with their prime minister because she is "a leader," but even her fans aren't sure where she is leading.

In France there is a palpable malaise in the summer air — nothing vague or amorphous like Jimmy Carter's American malaise of 1979 but a very explicit disappointment with the Socialist government, in a society that is much more political than the United States will ever be.

Now Italy has elected a new Parliament that is even more fragmented than usual. The result will be a weaker government at a time when Italian inflation is running at 16 percent.

It is not surprising that weak governments and bad economies have led to political gloom;

this has happened before. If this year's European crisis is more serious than previous ones, and it probably is, the reason is NATO's deployment of new American missiles.

The Reagan administration is understandably pleased that the NATO decision to deploy new missiles now appears likely to be implemented. If irate citizens had forced West European governments to abandon the 1979 decision, the loss of face for NATO and the United States would have been humiliating. But there is no joy in Europe at the prospect of deployment starting in December.

The disconcerting fact is that almost no one in Europe is going to feel more secure, even if all 572 Pershing-2 ballistic missiles and jet-propelled cruise missiles are installed around Western Europe. On the contrary, the controversy provoked by the missiles has apparently

made millions of Europeans feel less secure. West Germans have faced up for the first time to the fact that they are the world's most likely nuclear battleground, and that their territory, like that of East Germany, is already loaded with nuclear weapons. In almost all of Europe, and especially in Northern Europe, ordinary citizens have become more concerned about nuclear weapons because of the flap over the new NATO missiles.

A senior West German diplomat pointed out recently why these missiles have caused such turmoil. This is the first time that the Europeans have agreed collectively on an important new deployment of nuclear weapons. Until now they left such decisions entirely to the United States. Sharing the responsibility now has not been an enjoyable experience.

It has been made even less comfortable by the Reagan administration, which continues to play badly in Europe. Of course to American administration since John F. Kennedy's has been really popular on this side of the Atlantic, but Mr. Reagan, like Mr. Carter, is the sort of American who is least understood in Europe, where movie stars (and peanut farmers) simply do not become national leaders.

"It is a recordable fact that the Reaganites hold alarmingly simplistic beliefs that divide the world into goodies and baddies," a conservative British editor said the other day. It seems hard to be a sophisticated European and also an admirer of Ronald Reagan.

In addition, domestic American fights over MX missiles and nuclear freeze help persuade a lot of Europeans that "the United States can't get its act together," as one West German put it — an unenviable situation for Europeans who long ago signed over to Washington the principal responsibility for their strategic defense.

There's the rub. Historians — if there are any — will look back with some puzzlement at the 1945-55 period, when the governments of some of the strongest, most important nations in the world largely abdicated their traditional responsibility for self-protection to another nation more than 3,000 miles away. There were good historical reasons, and good selfish reasons, too, but still it has been a historic anomaly, created by thermocore weapons.

That epoch may be ending. The Europeans are unlikely ever to assume total responsibility for a continental balance of power with the Soviet Union, but if Americans are to go on electing presidents who make Europeans uncomfortable, the United States can expect Europeans to drift farther away from the traditional NATO arrangements.

Just now there are governments all over Europe whose domestic political fate may be tied to policies devised in Washington that those same governments would never adopt as their own. As witness his trip to Moscow, Chancellor Helmut Kohl is considerably more interested in preserving some détente with the Russians than in the Reagan administration. Other Europeans are also eager to pursue normal relations across the Iron Curtain — not just to pay for life service, but to pursue a better East-West climate.

As a retired British diplomat observes, European voters know intuitively that the West has let the relationship with Moscow deteriorate too far. "People know how to deal with a nasty neighbor," he said — not by provoking him, but by treating him realistically. And in Europe the Russians are neighbors — a fact that many Americans don't appreciate.

Up to now the basic European tactic has been to put the Reagan administration's policies in the best possible light. That tactic has been made easier by the administration's willingness to bow to European pressure so as at least to appear to be conducting serious arms control negotiations. This may suffice for some time, but Washington will have to convert the appearance of serious negotiations into genuine negotiations relatively soon.

So perhaps the horizon in Europe should look threatening. Which is not to say that Western Europe is about to fall to the Soviet Union, or that it is in danger of going "neutral." Neither is in the cards. The Europeans know where their interests lie. They know, too, how to defend them if they have to. Hence, only a few Britons were drawn to the Labor Party's unilateral disarmament platform; and West German voters rejected the Social Democratic Party's wavering approach to military issues.

But it will be a rocky autumn in Europe. This is what happens when governments lose control of important events, and European governments have lost control over nuclear weapons.

—The Washington Post

In Defense of NATO's 2-Track Missile Plan

By W. Tapley Bennett Jr.

This is adapted from a speech this spring by the outgoing American ambassador to the North Atlantic Treaty Organization.

BRUSSELS — Thus far, as we have found so often in proposals made by the West for practical steps toward disarmament, the Russians have shown no desire to cooperate. They have rejected the most sweeping disarmament plan, the zero option, which, however, remains on the table.

The peace marchers and the Greens tell us in loud shouts that they are against all nuclear weapons. Then why are they not out demonstrating in favor of the zero option? Why do they not support this NATO effort for peace — the cancellation of an entire category of dangerous nuclear weapons? Why do they not support an effort for even an interim program of reduction?

These people show more concern over plans for 572 NATO weapons designed to safeguard the peace — weapons not yet produced — than they do for the more than 1,000 SS-20 nuclear warheads already in place, targeted at the very countries in which they demonstrate. Compare their freedom to demonstrate with the situation on the other side of the Elbe River.

The extremely complicated discussion of deterrent strategy is often marked by oversimplification and wishful thinking. Two points need to be clarified.

The first is that aspect of the 1979 double-track decision that involves modernization of NATO's intermediate-range nuclear weapons. The decision was

from Europe. That removal has been accomplished. If the modernization program has to be carried out, NATO will at the end of the program have fewer nuclear weapons in Europe than it possessed in 1976.

The second point involves the deployment schedule. The replacement, if made necessary through failure at Geneva, is a five-year program. The first deployment would involve only a few weapons.

If agreement should be reached later at Geneva, then further deployment would be halted by NATO in line with terms of the accord. Hopefully, an agreement would make it possible to withdraw missiles already in place.

That would eliminate these weapons. That offer is still open. A further problem in public understanding comes from Soviet misinformation. One case is the Andropov proposal of Dec. 21, which purported to offer to cut back Soviet SS-20s to 162, the total number of French and British weapons of this type. But there was no specific promise to destroy these weapons, merely to pull them beyond the Urals — and they could easily be moved back.

There are two other transparent fallacies in this Andropov offer. For one, French and British systems are not a part of the U.S.-Soviet talks. Both countries have rejected inclusion in the Geneva negotiations. The United States is

not in a position to negotiate on the property of other countries. The Russians know that.

And there is further deception: When the Russians propose to trade 162 French and British missiles for 162 SS-20s, they conveniently overlook the fact that most of the French and British missiles have one warhead each. Each SS-20 has three warheads.

Another example of Soviet tactics: On March 15, 1982, Leonid Brezhnev announced a moratorium on further deployment of SS-20 missiles. The number of SS-20 warheads in place on that date was around 900. As of April 12, 1983, the number of SS-20 warheads was more than 1,050. So much for Soviet promises.

There is a danger in today's debate. We run the risk that in so much discussion of technical details of arms and arms control, the major issue becomes trivialized. That issue has not changed for a generation. It is the continuing Soviet effort to drive wedges in Western unity.

The ultimate Soviet goal in Europe is to force West European nations to accommodate themselves to Soviet interests on Soviet terms. We all know what those terms are.

It is the linkage between the United States and Western Europe that has deterred aggression from the East, that has kept the peace. NATO is the real peace movement of our time.

International Herald Tribune

Shifting Currents in German, Italian Politics

By Enrico Jacchia

ROME — Chancellor Helmut Kohl's attempt to explore in Moscow a way out of the deadlock in the Euro-missile negotiations is affected by two recent developments: the shift of the Social Democrats in West Germany toward unadorned opposition to new American missiles in Europe, and the results of the recent Italian election. The two are likely to influence each other.

Both Egon Bahr and Horst Hemcke, who have prime responsibility for shaping the Social Democrats' political and military policy, are explicit. They stated repeatedly in public and in private during a recent meeting at the Friedrich Ebert foundation in Bonn that most party members oppose NATO's plan to deploy Pershing-2 and cruise missiles if the Geneva negotiations fail.

Most Social Democratic leaders express bitterness at not having been informed when a tentative accord was struck a year ago between Paul H. Nitze, one of the U.S. negotiators in Geneva, and his Soviet counterpart, Yuri Kvitsinsky. Mr. Nitze, who took part in the recent Bonn debate, pointed out that Washington did not discard the compromise solution outlined

during the Geneva "walk in the woods" — Moscow deal.

"In that case, we now have a wonderful opportunity," he has been the Social Democrats' reaction. "Let us put forward again, officially, that tentative compromise at the next session of the Geneva talks. If the Russians reject it, they will be the ones in trouble with European public opinion — and not us."

The Social Democrats seem obsessed with public opinion. Hans-Jochen Vogel, the party's candidate for chancellor in the March elections, and Mr. Bahr both pointed to a poll that found 90 percent of the West German population supporting NATO, but 65 percent against the deployment of Euro-missiles — "a result which in part is irrational, in part intelligent," commented Mr. Bahr. He said the Social Democrats will soon advance their own proposals for the Geneva talks.

It thus becomes increasingly likely that the Social Democrats will support the mass demonstrations against missile deployment that are

set for September in West Germany. "We will not lead their marches," said Karsten Voigt, a Social Democratic member of parliament, "and we will not encourage trade union strikes. But many of us will certainly take part in those demonstrations and explain to the people the position of our party."

Then there are the Italian election returns. The Christian Democrats' losses were nearly offset by the gains of the smaller pro-NATO parties, such as the Republicans and Liberals, and by the Socialists. There is still a majority in parliament to support the basing of American cruise missiles in Sicily at year's end.

Yet, the big question mark remains the persistent strength of the Italian Communist Party — it received 11 million votes — and the attitude that it will take next fall. If even West Germany's Social Democrats, hardly a group of orthodox Marxists, will mix with the anti-nuclear and pacifist demonstrators, how can the Italian Communists not adopt a similar stance? It would be curious if the biggest Communist party in Western Europe placed itself to the right of the Social Democrats.

International Herald Tribune

America's Frontier — Still There, and a Spectacular Asset

By Frank J. Popper

WASHINGTON — Most people believe that the American frontier disappeared in the late 19th or early 20th century — roughly between the completion of the first transcontinental railroad in 1869 and the end of homesteading in 1934. Frederick Jackson Turner put the date at 1890, the year the census revealed that for the first time it was impossible to draw a north-south line across the United States that was in the 19th century, thanks to its rich endowment in coal, oil, natural gas and uranium. It yields comparable amounts of other minerals — copper, silver, lead, beryllium, antimony and molybdenum. It supplies much of America's cattle, sheep and timber. It is home for most of the country's

smaller and less isolated, more law-abiding and regulated, less rugged and dangerous. It has more and higher technology, no longer promises free land, needs no military defense. Except for Alaska, it is rarely the dream of those who seek a fortune or a new life. Yet in many ways the frontier is more important to the United States than it was in the 19th century, thanks to its rich endowment in coal, oil, natural gas and uranium. It yields comparable amounts of other minerals — copper, silver, lead, beryllium, antimony and molybdenum. It supplies much of America's cattle, sheep and timber. It is home for most of the country's

brown and grizzly bears, caribou, moose, antelope and other wildlife, and its national parks, monuments and wildernesses offer recreation and solace.

In a more intangible sense, the frontier gives the resource of a usable past, the cowboy myth of can-do optimism, straight-shooting independence and high adventure that has always invigorated Americans.

The frontier is a military asset of strategic significance. Defense agencies train for mountain war in the Colorado Rockies, desert war in the Utah salt flats, arctic war in Alaska and nuclear war in Nevada.

In 1981 the Defense Department

seriously considered staging a week-long war game in California's Mojave Desert to simulate a large-scale Gulf engagement, including destruction of the oil fields and a mock Soviet attack. The exercise could have been conducted in almost total secrecy; a minor road would have had to be closed for part of a day.

Another role for the frontier might be rediscovered. In coming decades the government may respond to the decline of heavy industry in the Northeast, the Midwest and on the West Coast by reopening the frontier to homesteading. This might attract some of the Latino, Oriental and European immigrants pouring into the

provinces (especially Western ones), and provide a new start for some small farmers. In 1982 the Interior Department experimentally revived homesteading in the Kuskokwim Mountains of central Alaska. Further initiatives are being explored.

Much of the West remains almost untouched. Its lack of water has historically discouraged settlement, and will stay daunting for the foreseeable future. The West is a huge, empty, underexplored region. America is no longer a frontier nation, but rather a nation with a frontier.

The writer, a fellow at Resources for the Future in Washington, contributed this column to the Los Angeles Times.

FROM OUR JULY 6 PAGES, 75 AND 50 YEARS AGO

1908: Taft Denies Report

HOT SPRINGS, Virginia — When Mr. Taft read the Herald's Panama cable dispatch quoting Señor Arias as stating that Mr. Taft had exerted pressure in favor of Señor Obaldia's candidacy for the Panama presidency, he said: "I have had no communication with Panama, and I have authorized none on this subject since the letter written in the latter part of May, which has already been made public. All that has been done at Panama has been to take measures to ensure a fair election." Mr. Taft denied having stated that if Panama did not accept Señor Obaldia the United States would intervene, and said he was surprised at Señor Arias's withdrawal from the race.

1933: "The Depression Is Over"

NEW YORK — A gradual but sustained business improvement over a broad front during the last few months, indicating an end of the Depression in this country and a definite turn toward recovery, was recorded by the New York Board of Trade in announcing the results of a nationwide economic survey. "The conclusion cannot be escaped," the board declared, "that the Depression is over and we are well on the road to recovery." The survey showed employment had increased, wages had been raised by industrial concerns, orders had increased, and department store sales, building activity, transportation and power consumption all showed an upward trend.

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Harry J.
Big Ban

ARTS / LEISURE

The New-Old Social Secretary

By Enid Nemy

New York Times Service

NEW YORK — Not too long ago they were called social secretaries. They worked for wealthy, social women and they dealt almost exclusively with notes, invitations, appointments and place cards. Many of them were daughters of genteel families that had fallen on hard times. Their handwriting was usually impeccable and their typing and shorthand were frequently pathetic.

Today the rather small group of women who might once have been called social secretaries are frequently and legitimately referred to as private secretaries. Most are professional in skills and attitude.

The women for whom they work have also changed. Their principal activity may be charity committees and benefits, but many now deal with finances and have interests that range from art and antiques to education and rehabilitation programs.

They also have a growing awareness that working in the confines of a home leads to a more intimate relationship than that usually existing in an office and that this requires a delicate balance somewhere between employer and friend.

Because the best of these secretaries are nothing if not discreet, salaries are something they prefer not to discuss. They generalize by saying that the amount depends on many factors. Part-time secretaries often charge in the area of \$15 an hour; full-time work ranges, by and large, from \$350 to \$500 a week.

The most hazardous part is working within close confines. "Working closely together in a home can be miserable or pleasant, and it very much depends on the employer," said a secretary. "Everything that might happen in a home office is a matter of discretion. The things they can't do themselves but are unwilling to give you the authority to do, the remark that can be shrugged off in an office atmosphere but becomes more personal at home, the deadly fear that you will carry tales. You have to be terribly careful."

This secretary is currently, happily, employed by a widow — "cleaning up and organizing 100 boxes of papers, bank papers and correspondence, inventing the apartment and disposing of books and paintings."

On the other hand, June Douglas has had a penchant for horse, racing and baseball. He owned several racehorses.

One of his four marriages was to Betty Grable, the movie star and favorite pin-up of the GIs in World War II, who died in 1973.

Mr. James got his start with another big band star, Benny Goodman, and later launched careers for singers such as Frank Sinatra, Dick Haymes and Kitty Kallen.

In an interview three years ago, Mr. James talked of old times and his revival of the sound to which other generations swayed.

"To me, there are no old times — there's only today," he said. "I don't like to talk about what we used to do. I like to talk about what we're going to do."

At the time he was touring the country with his band, presenting a musical revue "The Big Broadcast of 1944." The program also included disco and rock — which he said surprised many young people.

"They are just in shock, because they figured every time we play their mother or father would be there to tell them the name of it," Mr. James said. "If I like something I play it — I don't care when it was written."

He left the Goodman band in 1939 to start his own group. After two years, his band recorded "You Made Me Love You" and he found himself and his band in the big time.

He was born in Albany, Georgia, where the mighty Haas Circus was pitched at the time. His mother performed on a trapeze until one month before his birth. His father conducted the circus band. They proudly christened their son Harry Haas James.

By the time he was 6, Mr. James had begun his musical lessons under his father's direction. At 10, he was playing solo trumpet and at 12 was given the job of conducting the No. 2 circus band.

When he was 15, he got tired of playing marches for the circus and began sitting in with dance bands.

Mrs. Douglas lived nearby and wanted a part-time job so that she could be home when her 7-year-old son returned from school.

"We met and liked each other immediately," said Mrs. Douglas. "Mrs. Whitney had children and she understood and approved wholeheartedly that I wanted to be home early."

When the Whitneys sold that home, Mrs. Douglas was asked to continue from her own home. The arrangement has continued, although Mrs. Douglas and her husband now live in Massachusetts.

"It doesn't really matter where my office is because Mrs. Whitney is constantly traveling between her homes in New York, the Adirondacks, Saratoga, Lake Placid, Kentucky and Spain," Mrs. Douglas said. "Mrs. Whitney wanted me to continue as long as I could spend a day or two with her if she needed me."

Mrs. Douglas keeps a master list of names and addresses and a master appointment chart. Many people get in touch with Mrs. Whitney through Mrs. Douglas. The two talk by telephone almost every day and meet at varying intervals.

"I help Mrs. Whitney accomplish what she accomplishes, and she accomplishes a lot," she commented. "Someone once said that I'm more than a secretary. I'm an administrator, but I don't know."

She does, however, know one thing: "We understand each other and we care about each other."

Janet Grant is a familiar name to Palm Beach residents and a familiar face at most of the big benefits and parties. She started working for Mary Sanford, often referred to as the Empress of Palm Beach, 23 years ago, and several years ago, when Mrs. Sanford's activities lessened, began taking on free-lance assignments.

"When you become close to someone like Mary, you do everything from mental to important things," she said. "Anything she didn't have time to do I did. The anything included almost everything from organizing guest lists, menus, flowers and bartenders to calligraphy for place cards, standing at the door to keep out unwanted guests, writing thank-you notes, buying gifts and picking up and returning things. We even shopped together."

Mrs. Grant's principal work these days is for the chairman of major charity benefits, which she "organizes and stages," and for private clients who need someone knowledgeable to organize and look after their parties.

Maria Towne works in New York on a somewhat different basis, usually one five-hour day a week for each client, sometimes in their homes, sometimes from hers.

Having started her career in the decorating business, Mrs. Towne has Pasty House, a decorator, as a client. That job primarily involves business chores. For clients more involved in social activities she looks after invitations and correspondence, and when her employer is chairman of a benefit she is apt to be on hand before the guests arrive to "see if everything is OK."

Mrs. Towne, whose clients include men, usually begins her workday at 11 A.M. and stays until 4 P.M. Over the years she has done everything from organizing files and libraries to putting closets in shape.

"I've had the most wonderful experiences," she said. "And I've been exposed to such beauty."

Maria Towne splits her time between different clients.

Don Charles Hagen/The New York Times

Barbaresco and the New Wave of Italian Wines

By Frank Prial

New York Times Service

BARBARESCO, Italy — Sunday morning in an Italian village. Vertical planes of beige, oyster and gray. Brief vertical slashes of scarlet — plantings of geraniums — underlining hollow squares of black formed by windows opening into cool, dark interiors. Heat and silence.

Gaja is the fifth generation of his family to engage in the wine business in Barbaresco. Once the firm was much larger, making not only Barbaresco but also Barolo, probably the most famous wine decided to opt for quality. The firm gave up all its vineyards and left contracts with outside growers. It went out of the Barolo business and sold all its own vineyards except for about 125 acres of the best grapes in and around the town.

Now Gaja annually makes about 8,000 cases of Barbaresco and 6,000 to 7,000 cases of other wines, including Barbera, Nebbiolo and Dolcetto.

Paradoxically, it should be noted that Barbaresco and Barolo are made from the same grape, the Nebbiolo. When producers of good Barbaresco and Barolo go through their vats each year, the lesser produce is set aside and bottled simply as Nebbiolo. Many wine producers in less favored parts of the region can by law make only Nebbiolo.

Barbera and Dolcetto are less noble grapes from which less expensive and shorter-lived wines are made. Indeed, a number of Italian wine makers, mindful of the success of Beaujolais Nouveau, are producing a Dolcetto Novello, to be drunk in the spring and summer after the harvest.

The bulk of Gaja Barbaresco is nonreserve wine that is aged about two years in large, wooden ton-



Maria Towne splits her time between different clients.

Don Charles Hagen/The New York Times

neaus. Some special vats become a reserve wine called Inferno. Under Italy's wine laws *riserva* must be aged three years and *riserva speciale* four years; traditionally, Barbaresco was said to need five or six years to mature. This is still true of the best single-vineyard wines such as Sorì Tildin, but many lesser Barbarescos are ready in about three years. Even those will be helped by an extra year or two of bottle aging. But in Italy, as is the case elsewhere, the tendency is toward lighter, more rapidly maturing wines.

By the way, if all the *Sorì* and *Barolo* over the 1982 vintage has picked your curiosity, be aware that '82 was also a great year in the Piedmont. Other good vintages of Gaja wines — and most wines of the Barbaresco region — include 1980, '79, '78, '74, '71 and '70. Going back still further, the good years include 1968, '67, '64 and '61. Some of the older wines turn up occasionally, but expect them to be expensive — not as expensive perhaps as the equivalent French wines, however, which makes them much more interesting, particularly when dining out.

The Italian producers are bitter about the disparity between the prices Barbaresco and Barolo fetch and what the French can get. Though they are right, some simple marketplace rules are at work. The French have spent a long time creating the aura that surrounds their wines, be it deserved or not. They have paid their dues. Once wine drinkers become educated to the quality of the leading Italian wines and are eager to buy them, the producers can charge what they think their output is worth.

For family planning in the Health and Welfare Ministry.

The director of family planning for the Council of Medical Research, Dr. B.N. Saxena, said the government is "very much committed" to developing an indigenous fertility immunization. He said it has not even considered introducing foreign-produced vaccines, including Depo-Provera, which have been linked to cancer-causing agents. Indian law prohibits the distribution of any drug that has not been approved in its country of origin.

"We have a long way to go. It will require many more studies before we can begin trials, but we are

'Buried Treasure': No Luck

By Sheridan Morley

International Herald Tribune

LONDON — Considering that there have been no less than 18 London-based shows playing on Broadway this past season, and eight Broadway-based shows playing in the West End, it might be thought that the need for a trans-Atlantic theatrical exchange plan was not so very great.

That, nonetheless, is what the Royal Court in London and Joe Papp's Public Theater company in Manhattan have now arrived at, and there is no doubt that thus far it's the Americans who have the best of the deal. For where the Court has sent the recently triumphant "Top Girls" to New York, Papp has now brought us in exchange Thomas Babe's "Buried Inside Extra," a curiously lifeless

newspaper drama that looks as though it has been assembled on a slow news day from offcuts of "Lou Grant" and "The Front Page."

A few years back, long before anyone saw the need for a formal exchange of this kind, Babe had in fact already given the Court a vastly superior play called "Prayer for My Daughter," set in a decaying downtown police station. This time he has been defeated by the fact that just about everything worth saying about decaying downtown newspapers has already been said, and his attempts to enliven the green-eyed clichés of half a hundred B movies (by planting an atom bomb in the paper's cellars on the day the building is being closed) do not even begin to detonate. What we have here is thus not so much "The Front Page" as page 19 of a very dull edition, and the only question raised by the play is how on earth characters of such stunning boredom have managed to keep the paper going until now.

True, Papp has done some starry casting: Hal Holbrook as the city editor, Vincent Gardenia as the mad bomber and Sandy Dennis as the deserted wife all bring on stage with them the memories of innumerable better-written late night TV movies, but even there echoes of the past are mercifully inclined to drown what Babe is giving us as the present. If you want to see Papp's real gift to London, steer clear of his currently dismal Court hearing and head for "Pirates of Penzance" at Drury Lane.

Not all foreign visitors to the London theater this summer are to be so readily dismissed, however, no matter what you may have been reading about them elsewhere. To the Ficcaddilly, five months and £2 million on from the originally planned opening, has come "Y.," son of "L" and some kind of guarded minority verdict needs to be entered here about the nature of this haroque and intermittently enthralling evening.

Essentially a 90-minute cabaret served up after a three-course meal and before a disco session, "Y" consists of about 18 routines, many of which would indeed have been hailed out of the dress rehearsal of a summer show on the end of Blackpool pier 20 years ago. But as any experienced Las Vegas or Paris Lido observer will tell you, the star turn is the one to watch and in Arturo Brachetti there is a conjurer and mime of considerable eccentric talent: whether doing the ritual dove act or merely swallowing balls of string, he has a random luxury that recalls the great days of Rob-

Back to London for a limited-season return of 96 performances only has come Topol in the stage-and-screen role that made his name here almost 20 years ago. Teyve the milkman in one of the greatest of all postwar Broadway musicals, the Book-of-the-Moon "Fiddler on the Roof." It is perhaps a pity that the management had to choose the Apollo Victoria, surely the least attractive or comfortable of all London theaters, for Topol's return, and it is true that the show is looking a little slower and creakier than I recall it two decades ago. But none of that can alter the fact that we have here one of the great star turns of the century: From his opening chat to God through to the final brilliance of Jerome Robbins' turntable choreography which leaves him pulling the wagon toward yet another pogrom, Topol's performance has aged and matured into a faultless and unmissable fireworks display of theatricality, one that the rest of the cast has the sense to watch from a respectful distance.

Harry James, 67, Dies; Big Band Trumpeter

Compiled by Our Staff From Dispatches LAS VEGAS — Harry James, 67, the trumpet player and one of the last stars of the big band era of the 1930s and 1940s still performing, died early Tuesday in Valley Hospital, a family spokesman said.

Mr. James, who was born into a circus family and became known as the "world's greatest trumpeter," had suffered from lymph gland and lung cancer since April. Despite the illness, Mr. James had continued to travel with his band, playing in Denver June 10-11 and in Los Angeles June 26.

He made his home in Las Vegas and had a penchant for golf, horse racing and baseball. He owned several racehorses.

One of his four marriages was to Betty Grable, the movie star and favorite pin-up of the GIs in World War II, who died in 1973.

Mr. James got his start with another big band star, Benny Goodman, and later launched careers for singers such as Frank Sinatra, Dick Haymes and Kitty Kallen.

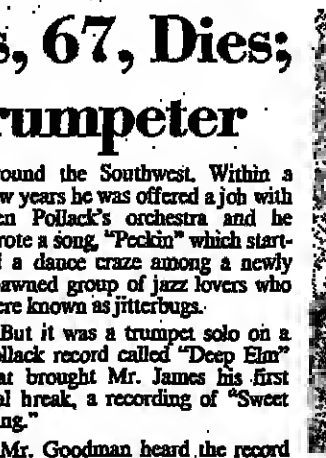
In an interview three years ago, Mr. James talked of old times and his revival of the sound to which other generations swayed.

"To me, there are no old times — there's only today," he said. "I don't like to talk about what we used to do. I like to talk about what we're going to do."

At the time he was touring the country with his band, presenting a musical revue "The Big Broadcast of 1944." The program also included disco and rock — which he said surprised many young people.

"They are just in shock, because they figured every time we play their mother or father would be there to tell them the name of it," Mr. James said. "If I like something I play it — I don't care when it was written."

He left the Goodman band in 1939 to start his own group. After two years, his band recorded "You Made Me Love You" and he found himself and his band in the big time.



Harry James

around the Southwest. Within a few years he was offered a job with Ben Pollack's orchestra and he wrote a song, "Pockin'" which started a dance craze among a newly spawned group of jazz lovers who were known as jitterbugs.

But it was a trumpet solo on a "Polka" record called "Doin' the Elmer" that brought Mr. James his first real break, a recording of "Sweet King."

Mr. Goodman heard the record and sent for Mr. James, who joined him in 1937. It was Mr. Goodman who encouraged Mr. James to form his own band and in 1939 he took the advice.

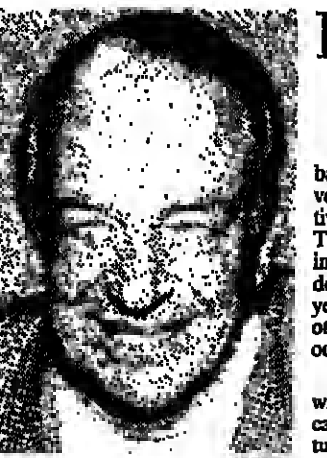
When Mr. James went off on his own he found the going tough. His band was good but there were no listeners. Then he took advantage of his own horn and recorded "You Made Me Love You" and the country set up and listened.

The group is to be called the Independent Commission on International Humanitarian Issues, and it was inaugurated at a brief ceremony Tuesday in the United Nations Palace des Nations. The commission is to meet Wednesday and Thursday to plan a schedule of meetings for what is expected to be a three-year period of work.

The 24-member commission includes three princes, two foreign ministers, three former presidents, an archbishop and two members of the International Court of Justice. Neither China nor the Soviet Union are represented.

The Swiss government has donated sizable amounts of money to the commission, but other funds must be raised elsewhere.

European unity through economic reforms.



Harry James

There is no formal link to the United Nations, but the commissioners are hoping to maintain lines of communications. The UN secretary-general, Javier Pérez de Cuellar, spoke at the inaugural ceremony.

The commissioners appeared anxious to avoid parallels with the independent commission on North-South issues that was established under the chairmanship of Willy Brandt, the former West German chancellor.

"I share your cynicism of commissions," said Crown Prince Hassan of Jordan, a member of the new group, at a press conference Tuesday.

He then identified what he said were three key differences between the new commission and Mr. Brandt's.

The new commission will adopt a "sectoral approach," concentrating on a single issue at a time, instead of covering a broad subject like the North-South dialogue. This is despite the fact that the impetus for the commission has

India Says It Plans to Develop Injectable Contraceptive

By William Claiborne

Washington Post Service

NEW DELHI — India is embarking on a crash program to develop a safe injectable contraceptive, health officials said Tuesday. The country is facing a steadily rising population despite a nearly doubling of sterilizations in the last year and comparable increases in other modern birth control methods.

A task force has been formed within the Indian Council of Medical Research and given priority status to accelerate development of an anti-fertility vaccine, according to K.C. Kapoor, additional secretary

for family planning in the Health and Welfare Ministry.

The director of family planning for the Council of Medical Research, Dr. B.N. Saxena, said the government is "very much committed" to developing an indigenous fertility immunization. He said it has not even considered introducing foreign-produced vaccines, including Depo-Provera, which have been linked to cancer-causing agents. Indian law prohibits the distribution of any drug that has not been approved in its country of origin.

"We have a long way to go. It will require many more studies before we can begin trials, but we are

coming ahead with a great deal of urgency," Dr. Saxena said. He estimated that preliminary studies and tests to ascertain a consistent response could not be completed before the end of the decade.

He stressed that in any case, the locally developed vaccine will not be introduced until it conforms to international health agencies, including the World Health Organization.

Health and Welfare Ministry officials did not disclose the cost of the project, but Dr. Saxena noted that a recent study by Stanford University in California estimated that development of an injectable contraceptive would cost \$55 million to \$65 million.

Several leading Indian scientists, including Dr. Pran G. Talwar of the All-India Medical Center, have recently made important breakthroughs in research on such contraceptives, Dr. Saxena said.

The crash program was ordered amid rising concern in the Gandhi government that despite an enormous investment in family planning programs, India's population has doubled to nearly 800 million in the last 35 years. It is expected to reach one billion before the end of this century.

A recent report by the Family Planning Foundation of India, a major backer of the immunology approach, said that if firm steps were not adopted to curb population growth, India would be faced with the prospect of having to consider far more stringent and unpalatable choices. It mentioned the example of China, where the one-child family concept was being encouraged.

The shift in birth control emphasis comes at a time when sterilizations performed in the fiscal year ending in March approached four million, nearly a 43-percent increase over the previous year. It was the greatest increase since 1976-77 during the emergency era, when Sanjay Gandhi, the son of Prime Minister Indira Gandhi, allegedly ordered the forcible sterilization of thousands of males.

Last year's figures were boosted, in part, by an increase in incentive compensation from 70 to 100 rupees (about \$7 to \$10), according to family planning experts. The national target for sterilizations has been raised this year from 4.52 million to 5.9 million.

A Family Planning Foundation task force has proposed a package of incentive and disincentive schemes to bring down the birth rate. They include financial incentives to communities that reduce

their birth rate, and the issuance of "green cards" to families of two children or less.

The cards would entitle a family to preferential treatment in hospitals, in getting electricity and water connections and admission "to schools."

■ W. Germany Restricts Use The Federal Health Office said Tuesday it has restricted the use of widely available contraceptive injections because they carry greater risks than other contraceptive drugs. Reuters reported from West Berlin.

It said the three-month injections could be given only to healthy women who are unable to use other contraceptive methods.

crashed June 27, have said it is likely that the two Americans triggered the release mechanism for their gondola as they neared the ground.

Some of the cables apparently failed to detach from the balloon before a gust of wind pulled the craft upward again. Investigators have said the cables snapped at an altitude estimated at 90 to 120 feet (30 to 40 meters).

Mr. Anderson, 48, and Mr. Ida, 49, were taking part in a race in conjunction with the Gordon Bennett International Balloon Race, which began in Paris.

Flight controllers at the Frankfurt airport, in radio contact with the balloon shortly before it

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INSIGHTS

Barbie's Odyssey: Using U.S. Connections To Reach South America on 'the Rat Line'

Tom Bower is deputy editor of the British Broadcasting Corporation's Panorama program. This material is adapted from his forthcoming book, "Barbie: Butcher of Lyon," to be published in Britain by Michael Joseph and in the United States by Pantheon Books.

By Tom Bower

LONDON — Klaus Barbie began working for the U.S. Army's Counter Intelligence Corps in the spring of 1947. He remained on the payroll as an intelligence agent until early 1951, when he was smuggled out of Germany to Genoa, Italy, with the help of the CIC and the Central Intelligence Agency. From Genoa, Barbie made his way with his family to Bolivia, where he prospered as a businessman. In February of this year he was arrested and extradited to France to stand trial for "crimes against humanity."

This is the story of his American connection. It is based on interviews with several of the Americans directly involved with him, on records in the U.S. National Archives about CIC operations in Germany at the end of World War II and on records deposited in the National Archives of France.

During the German occupation of France, Barbie was the Gestapo chief in Lyons, where, according to French indictments, he ordered and participated in numerous murders and acts of torture against Jews and members of the French resistance.

In the face of the Allied advance in 1944, he fled to Germany and turned up in 1947 in Bavaria. He was spotted one day on a railroad platform in Augsburg by Kurt Merk, who had spent the war in Dijon, France, as a member of the Abwehr, the intelligence arm of the German Army.

Mr. Merk, already a trusted CIC informant, persuaded Barbie to join him. Barbie was hired by the 970th CIC Detachment in April, according to the records, with the approval of a regional CIC officer, Dale Garvey, now living in Kansas. His first handler was Robert Taylor, who now lives in Syracuse, New York.

Neither Mr. Taylor nor Mr. Garvey have specific recollection of Barbie, but they accept the documentary evidence of their role in his employment. One who does remember Barbie, however, is Earl Browning, now living in Washington. As a CIC officer working near the front, he saw a lot of action: Aachen, the Ardennes, Remagen and then down to the south of Germany, where he was among the first to enter Dachau. By the time he returned home from Europe in 1945, he had "seen enough to convince me that the Germans were not very nice people. I had been appalled by what I saw. Dachau had been a great shock."

Mood Had Changed

In early 1946, Mr. Browning was asked to return to Germany as a regional commander of the 970th CIC Detachment. The mood among the Allies and within the CIC, Mr. Browning recalls, had drastically changed. "The Germans were no longer our enemies. Denazification was no longer so important. People were more suspicious of the Russians."

Mr. Browning shared those suspicions. In September 1946 he launched an operation to penetrate the Communist Party in Bremen. He believes it was the first covert operation of its kind in the U.S. zone. His best recruits were members of the Bremen party with weak loyalties.

During that autumn, Mr. Browning received a letter from Mr. Garvey, the operational chief at CIC headquarters in Frankfurt. It alerted CIC detachments that a senior Gestapo officer wanted for many war crimes had been seen in the U.S. zone and that he should be arrested on sight. The name: Klaus Barbie.

A few months later, Mr. Browning replaced Mr. Garvey in Frankfurt and undertook an evaluation of the CIC's network of agents and informants. As Mr. Browning recalls, "I was sitting in my office when Jim Radtke, my deputy, came in holding some paper. It was the Region 4 informants list we'd received from Garvey. I read down it and saw the name Klaus Barbie. I couldn't believe it. I remembered very clearly that was the same German whom Garvey had said we should arrest when I was in Bremen and here he was using him. I immediately sent Garvey [now the Region 4 commander] an order to arrest Barbie."

It was the beginning of a feud between Mr. Browning and Region 4 CIC officers determined to protect Barbie. He had become, they insisted, one of their best agents.

Mr. Browning at one point was told that Barbie had disappeared, when in fact he and Mr. Merk had become a valued team.

Three Vital Objectives

Mr. Merk had convinced the Americans that, together with Barbie, he could provide them with intelligence about three vital objectives:

- Their wartime experience fighting the French Communist resistance would be of significant value to the Americans in penetrating the German Communist Party.
- They could satisfy American needs for information about trends and events in the neighboring French zone.
- He convinced the CIC that, together with Barbie, he had access to an enormous network of agents stretching from Portugal to the Soviet border.

Barbie's contribution to the operation was his privileged entrée to the *Kommandoschaft*, the secret alliance of former SS officers.

At the beginning of his work as an agent, Barbie looked for those who had served in Eastern Europe. Their archives and memory, combined with the information brought by the floods of refugees, could with careful analysis provide important pieces of the intelligence jigsaw puzzle.

To the CIC in Munich it seemed as if they had finally produced an important team. Frustrated, and pleased to be receiving any information, the Merk-Barbie handlers — Mr. Taylor and an American named Hadju — accepted with gratitude anything the network delivered.

By his account, Mr. Browning was neither grateful nor prepared to tolerate Barbie's continued use, but U.S. officials dispute this.

Mr. Browning says through October and November he sent increasingly acrimonious messages to Mr. Garvey demanding that Barbie be arrested. In December, at Mr. Browning's insistence, Mr. Garvey agreed to turn over Barbie to the U.S. European Command Interrogation Center at Oberursel. The center was operated by the army's G-2 section.

Fleeing From a Jeep

Dick Lavoie, a young CIC officer, was assigned to deliver Barbie. During the ride, Mr. Lavoie said earlier to confirm Barbie's suspicions that he might be in trouble. Barbie jumped out of the jeep and ran for the woods as Mr. Lavoie emptied his pistol at him.

Although one round nicked his finger, Barbie got away temporarily, but within hours the CIC had launched a manhunt. Barbie was tracked down and taken, now under heavy security, to Oberursel, where his interrogators ordered him to write an account of his war record.

Barbie, years later, said he was left alone in his cell for weeks and became desperate and depressed; he twice tried to commit suicide. Finally, fearing that he would be turned over to the French, Barbie began to write. But he boasted in a 1979 interview that he revealed very little: "I didn't tell them any more than I could write on one and a half sides of paper."

The interrogation reports from this period are still classified, but Barbie clearly denied having committed any crimes against the French.

Moreover, G-2 was under considerable pressure to release him. Region 4 of CIC had appealed over Mr. Browning's head to the CIC commander, Colonel James Erskine, and convinced him that Barbie was too valuable to lose.

It was by now early 1948 and by this time there was nothing unusual about using incriminated Germans. The Allies had condoned the wholesale reinstatement of former Nazis to their old jobs.

Teachers who had lectured on the glories of the Nazis were again teaching in the schools and universities. Judges who had passed death sentences for trivial offenses in the Nazi courts were once again dispensing justice. Doctors who had knowingly contributed to the euthanasia programs were practicing medicine again. Government officials during the Third Reich were restored as powerful bureaucrats.

In that context, the use of one Gestapo officer who could give help against the communists seemed quite acceptable. Barbie was released and returned to Kempten, where CIC officials were anxious to employ him.

His new handler was 31-year-old Erhard Dabringhaus, now a retired professor of German history at Wayne State University in Detroit. Born in Essen, Germany, he had emigrated with his parents to the United States in 1930 and returned to Europe as a major and interrogator with the 1st Infantry Division. In 1947 he was appointed a civilian special agent in the CIC, with an assignment in March 1948 to the 970th CIC Detachment in Augsburg.

Fourteen weeks later he was told to take a truck to Kempten to help two German agents move their belongings to new quarters in Augsburg. The agents were Barbie and Mr. Merk.

Mr. Dabringhaus's initial task as his handler was to formalize the Merk network. He says that Barbie had a network of between 65 and 100 informants throughout Western and Eastern Europe and claims as his achievement that he cut it down to 25, "because the rest were giving us nothing and we were stupid enough to pay for it."

Merk headquarters objected, says Mr. Dabringhaus, because they wanted more information, not less: "They had gone way beyond their original mission which was to penetrate the French zone, French intelligence and the French Communist Party. Instead, they had sub-agents in Czechoslovakia, Yugoslavia and Romania," he said.

Help for SS Friends

Barbie was proud that he could use his position to help many SS men leave Germany with official papers and money. It was just one of Barbie's many rackets, which prompted him to brag to Mr. Dabringhaus about how easy it was to fool the Allies.

Says Dabringhaus: "Barbie always told me that I was too weak. 'When you've got an enemy in your hands,' he would say to me, 'you've got to crush him.' " Mr. Dabringhaus now says that he was appalled by Barbie's past, but there is no contemporary record to support that. Their association ended late in 1948 when Mr. Dabringhaus was reassigned.

His successor was Herbert Bechtold, now living in Richmond, Indiana. Mr. Bechtold had also been born in Germany and emigrated to the United States in 1935. He spent the war fighting in the Normandy landings to the Rhine. He was discharged at war's end, but re-enlisted and was assigned to the CIC in Munich in 1948.

Barbie and his new handler developed a close relationship. With Mr. Bechtold helping to resolve Barbie's money complaints, Barbie told him of life under the Nazis and talked about his problems in fighting the French resistance in the early 1940s.

"The way he explained it," Mr. Bechtold said, "when they got resistance people in the act [of interrogation], there was just no time to lose. They needed the names of the others fast and in war anything goes."

Another American who entered Barbie's life at this time was Eugene Kolb, who took over from Mr. Garvey as the Region 4 CIC chief.

Mr. Kolb was also German-born and had emigrated to the United States in 1925 at the age of seven. His war had ended at the Elbe and he had been detached to a unit to search for Nazis and documents, work which he says he did not like. He was pleased when the order came down that the intelligence priority was to discover the intentions and activities of the communists.

Network Was Dissolved

Mr. Kolb concluded that the Merk network had become expensive and worthless. He recommended that the network be dissolved, while retaining some of its best assets, of which Barbie was one.

Mr. Kolb today denies that he or anyone in CIC knew about Barbie's war crimes: "If we'd known, we wouldn't have used him." He did know that Barbie was a former Gestapo officer but says, "I have to make a sharp distinction between fighting the resistance and the Jewish thing. Deporting the Jews was a war crime and we didn't know about it. Nor did the French ever mention it."

The evidence suggests that this is not implausible. The French investigation of German atrocities at Lyons began very slowly in the postwar chaos in France. The purging and reconstruction of the Lyons police and judiciary was only partially completed at the beginning of 1945. By then, various agencies and officials had started uncoordinated investigations into Gestapo crimes.

With few exceptions, the Germans had disappeared. The victims who survived often did not know names, while the best informed were the collaborators whose evidence was clearly prejudiced. But the biggest obstacle was the immediate destruction by the Gestapo of all their records before their departure.

On Aug. 31, 1945, exactly a year after Barbie's departure from Lyons, the city's military tribunal issued a warrant for his arrest on charges of illegal arrests and murder. In September an examining magistrate issued another warrant charging him with murder and arson. Neither warrant mentioned the Jews.

Barbie, in fact, might have been forgotten in time had it not been for the trial of Rene Hardy,

a Frenchman suspected of collaboration with the Germans and specifically with the betrayal of one of the most celebrated heroes of the French resistance, Jean Moulin.

Hardy's first trial ended in acquittal, but new evidence turned up and he was arrested again. Moulin had become a legend whose betrayal and death had to be avenged, and only one man — Klaus Barbie — could reveal whether the legend had died because of betrayal. The French search for Barbie began.

The first tip came from the American G-2 officer at Oberursel. After lengthy negotiations with the French, the Americans agreed that they could secretly question Barbie about Hardy on condition that they not embarrass the Americans by either asking for Barbie's extradition or publicizing the interrogation.

The French, anxious to investigate the betrayal and frankly unaware of what crimes this particular German had committed, were quite prepared to accept any conditions.

The first session was held near Frankfurt in May 1948. Two further sessions followed in May and July in a house near Augsburg. During all three sessions, Americans remained in the room. The transcripts of the interrogations have not been released, but there is no doubt that Barbie told the French that Hardy was a traitor.

News of the discovery of Barbie reached Lyons and prompted local demands for his extradition, but there were many obstacles.

By the beginning of 1947, the Allied military governors in Germany were under considerable pressure both from their own armies and from Germans to end the trials of war criminals. It was a natural progression that if there were to be no further trials in the Western zones, then Germans should not be dispatched to the hostile communist bloc, where their chance of a fair trial seemed increasingly remote.

End to Extraditions

In June, the British announced an end to trials and restrictions on extraditions. In July, General Lucius D. Clay, the military governor in the American zone, announced not only a complete end of trials but also the end of extraditions after October.

Like many other governments, the French immediately protested, claiming that their list of 20,000 wanted criminals was growing daily and their investigations had only begun. General Clay rejected the complaint, but said he would make individual exceptions on extradition.

For France now to obtain Barbie's extradition, it had to submit in English a convincing dossier on Barbie's crimes. Further, the case had to be submitted to the Germans, who required a formal extradition hearing.

But the biggest hurdle was the American regulation that the French, like all the other countries, had to provide the address where the suspect could be found. The French had been allowed to retain a mere six-man war crimes team in the American zone and their headquarters in Baden-Baden was singularly incompetent.

For all that, Barbie had a close call. A few days after Mr. Kolb took over the CIC in Augsburg in early 1949, an acquaintance called with the news that a French team was in town looking for Barbie. Mr. Kolb ordered Barbie to stay hidden in his safehouse for a week. The Americans pleaded ignorance and the French left.

Mr. Kolb and other CIC officers give three reasons for deciding to protect Barbie:

- They genuinely believed that his work as an informant was valuable.
- They felt that his alleged crimes against the French resistance were in reality acts of war and the French were pursuing him out of a desire for revenge, not justice. Most of them also insist that they were never aware of the atrocities of which Barbie was accused.
- They didn't trust the French. France, in the American view, was riddled with communists in the late 1940s. The Americans believed the French sought Barbie's extradition on behalf of the communist wing of the French security services, which wanted to interrogate him about the extent of the U.S. penetration of the German Communist Party.

"If the French had got Barbie," Mr. Kolb says, "I have no doubt that he would have been in Moscow within a few days."

Barbie had other fears, namely that he would not even survive the French interrogation because his appearance at a trial would be too embarrassing to France. He knew too much about French collaboration.

Formal inquiries and extradition requests by France were made in May, July and November of 1949 to no avail. The correspondence between the two governments was recently discovered by Serge Klarsfeld, a French lawyer who for 10 years campaigned for Barbie's extradition.

The French ambassador in Washington, Henri Bonnet, approached the State Department on the matter and his inquiry was turned over to the office of John J. McCloy, the high commissioner for Germany. Mr. McCloy informed the State Department that "we have no record request for extradition of Klaus Barbie by France."

The stage was now set for an extraordinary farce which would play for the next 14 months. On the one hand the State Department, the High Commissioner's Office, army headquarters in Heidelberg, CIC headquarters in Stuttgart and the CIC office in Augsburg all were performing a charade of various denials.

On the other side, the French were trying to use every channel available to discover Barbie's elusive custodian. At one point the Americans offered to make Barbie available to testify at Hardy's trial provided the French would guarantee his return to Germany, an offer the French rejected.

The ultimate responsibility for Barbie's protection was Mr. McCloy's. As the senior American official in the zone, his office definitely dealt with the problem but both Mr. McCloy and his assistant, John Bross, deny any recollection of the French demands. There were, they said, thousands of telegrams and files passing through the High Commissioner's Office daily.

Career at an End

The French pressure had its effect, however. Army headquarters in Heidelberg decided that Barbie should be "taken off the books."

This meant, Mr. Kolb was told, that Barbie could still be used, but his name and fees should be lammered through another agent's file. Mr. Bechtold was informed that he would be reassigned. The reason, which he was ordered not to pass on to Barbie, was that Barbie's career with the Americans was coming to an end.

With little notice, Barbie was handed over to Lieutenant John Strange and Leo Hecht, a 23-year-old German-born Jew. Two weeks later, Mr. Hecht told Mr. Bechtold that "the whole [Barbie] family are learning Spanish." In March 1951 the family left Augsburg with a U.S. escort.

They escaped from Europe down the "the

Rat Line," a well-organized, adequately funded, officially approved route, established by the U.S. Army's 430th CIC Detachment in Austria.

The Rat Line had been set up by the chief of CIC clandestine operations, James V. Milano, in 1945 to help American agents and sympathizers out of the Russian zone of Austria down to safety in Salzburg in the American zone. The "shipments" were mostly Russian defectors and valuable contacts who had suddenly become vulnerable.

Invariably, the safest final destination for the "shipment" was South America, especially Chile and Peru. The only obstacles were documents, passports and visas necessary to pass through the many checkpoints and borders of Europe and to enter South America.

Mr. Milano had at his disposal a laboratory where experts forged, rewrote and altered documents, passports and identity cards of every nationality, including American. Finance was supplied, with his superior's approval, from the intelligence fund.

When the paperwork was completed, Milano's three-man team, with the "shipment" dressed in an American uniform, drove in an army jeep down to Bad Gastein, and traveled with the jeep on a train through the Alps to the Italian border. There, a friendly customs official waved the party through, and the party headed for either Naples or Genoa, depending on the availability of the next ship.

The contact in Genoa was a Croatian priest, Krunoslav Dragovic, whom Mr. Milano called "the good father." Father Dragovic had been discovered on one of the earliest Rat Line operations in Trieste and had proved to be enormously valuable for the American operation, especially because he had good contacts with organizations of displaced persons, which managed quotas for emigration to South America.

The South American countries were eager to attract skilled labor and Father Dragovic informed the Rat Line which skills were in demand.

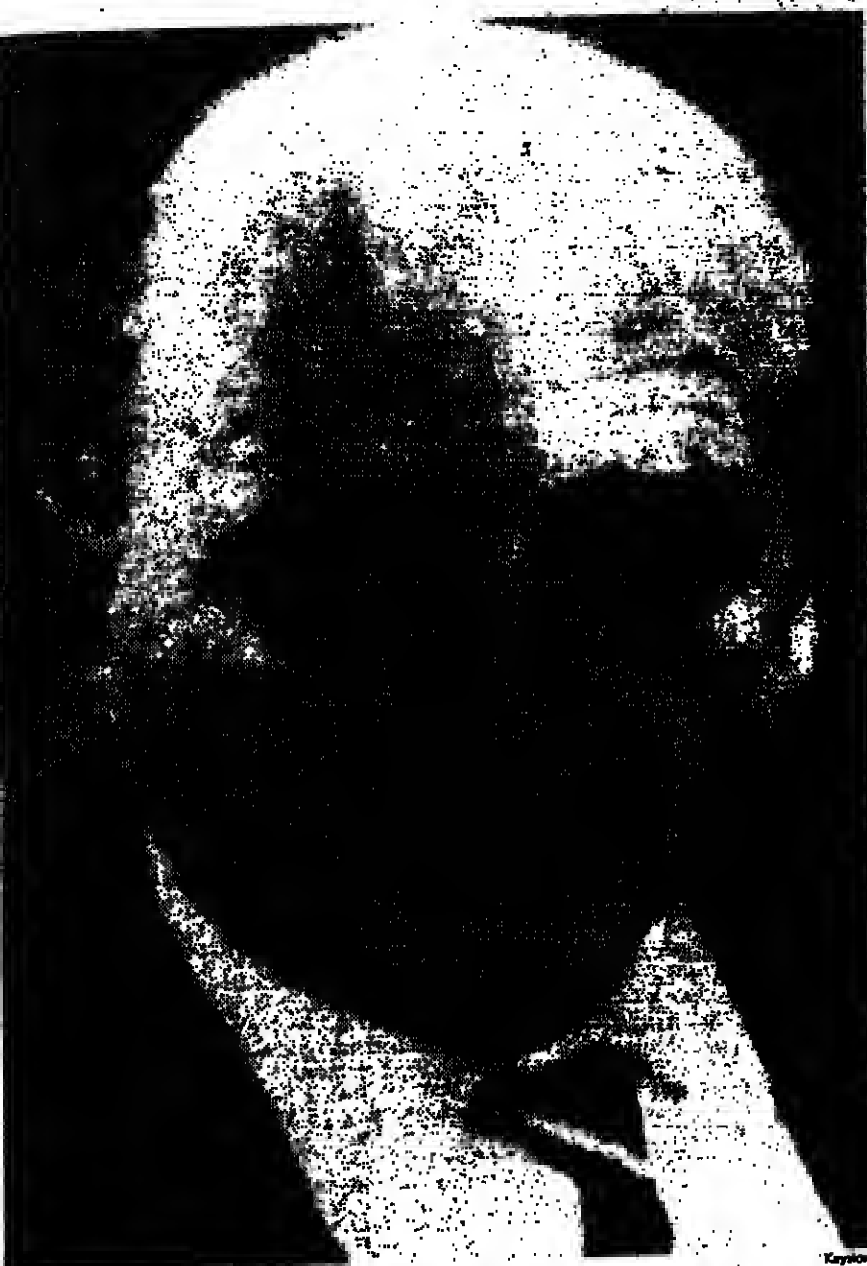
There were always delays in the port and a small hotel was selected where no questions were asked and the Americans could remain "babysitting" until the ship's departure. No one left Europe with less than \$1,000 and some with as much as \$8,000 in recognition of their services.

When Barbie entered the Rat Line, Mr. Hecht procured passport photos for the entire family. He also arranged a meeting for Barbie and his mother for their final farewell.

Mr. Hecht remembers that Barbie was looking forward and rather expectant about his new life. When a CIC officer, George Neagoy, came to collect the family, Mr. Hecht made the introductions and then left. "Without Barbie," he said, "Augsburg was rather empty. He'd made such an enormous contribution and we had no idea then what he'd done in France."

Both Mr. Milano and his successor, Jack Dobson, who authorized the Rat Line trip for Barbie, insist that they would never have approved shipping a Gestapo officer. By then, however, Augsburg had become quite proficient in lying about their star asset.

Years later Barbie is alleged to have said, "I



Klaus Barbie worked until 1951 as an agent of the U.S. Army Counter Intelligence Corps, then was "taken off the books" as pressure from France grew.

The CIC gave Barbie a temporary travel document for stateless people, No. 0121454, issued by the American High Commission office in Munich on Feb. 21, 1951. It was probably forged by the 430th CIC. Barbie was described as Klaus Altmann, born on Oct. 25, 1915, in Kronstadt, Germany, a mechanic by trade. His children, Uta and Klaus, were stated to have been born in Kassel on June 30, 1941, and Dec. 11, 1946.

The family was driven by American army truck across the border to Salzburg. With every thing arranged because it was impossible to travel with two children as American soldiers, the family left Salzburg by train, destined for Genoa.

Their ultimate destination, according to their travel documents, was the American port at Trieste. The only complication arose at the Austrian border when the customs official realized there was something wrong with the documents. Years later Barbie is alleged to have said, "I

said to him, 'Look, I've got children'... and he shouted at me, 'Get going, and I don't want to see you again.' I replied, 'You can be sure of that.'"

By Barbie's later account, Father Dragovic was waiting for him at the Genoa railroad station, holding a photograph which the Americans had sent ahead. He immediately took the family to a small hotel whose occupants were all Nazi fugitives.

Over the next days, Father Dragovic organized the Barbie departure. Originally, Barbie had intended to live in Argentina and had obtained a letter of introduction to the government to ease his entry. But the priest convinced him that, with the possibility of oil discoveries, there was a better future in Bolivia.

Among hundreds of Italian immigrants, the family sailed from Genoa in March, arriving in Buenos Aires in mid-April. They remained there for eight days before setting off by train for Bolivia.

Washington Post Service

Booming Seoul Races Into the Future

Officials, Facing Exploding Population, Order Work at Double Time

This is the last in a series of articles on major cities of the Third World.

By Clyde Haberman

NEW YORK TIMES

SEOUL — This is the quick-change artist of cities: Every time one looks, its appearance is different.

Office towers have opened that did not exist a year ago, and every second or third corner has the skeleton of a new building that is being fleshed out more and more each day.

Deep scars of construction cut across dozens of streets, the mark of an extensive subway system that city officials expect to be ready in two years, at a cost of \$1.7 billion. South of the Han River, new apartment houses rise in huge concrete blocks, often indistinguishable except for the numbers on the side, which reach into the hundreds.

Seoul has become an odd amalgam — part Asian Manhattan, part traditional, the high-rises and broad avenues masking hives of curved-roof houses set along alleys barely wide enough for bicycles.

At the end of the Korean War 30 years ago, the city was a pile of rubble. Now, like shifting protoplasm, it turns every which way, but is always growing.

"We may be moving too fast for our own good," says Rhee Chong Ik, a professor of public administration at Chungju University, southeast of Seoul.

A Calculated Maneuver

The fast pace, however, is a calculated maneuver by a government that runs South Korea with an iron hand.

In part, speed was required to accommodate a city population that has nearly quadrupled in the last two decades, to about nine million. Officials have also ordered everyone to move at double time to get much of the work, especially on the subway, completed in time to impress the many visitors anticipated for the 1986 Asian Games and 1988 Summer Olympics that Seoul will host.

The city is always aware, too, of North Korea, and there is a conscious attempt to present a booming Seoul as a contrast to the stark northern capital of Pyongyang.

And so construction goes on round the clock in a swirl of dust and noise pervasive enough that people often do not realize they are shouting to make themselves heard in sidewalk conversations.

Now that the government has lifted a long-imposed midnight curfew, about the only time Seoul calms down is during the 20-minute alert held once a month as a reminder that North Korean planes are only three minutes away. Cars stop where they are, and motorists and pedestrians head for underground shelters.

"It's a nuisance," a college student said, "but in a way it's almost a relief."

If a population explosion can be considered a nuisance, Seoul has become one of the world's biggest cities with little notice. A Rand-McNally survey says Seoul is the seventh largest metropolitan area. But it ranks No. 3 — behind Mexico City and São Paulo and ahead of Tokyo — if one counts just the city proper, according to the U.S. Census Bureau.

There are, on average, 36,000 people crammed into every square mile, compared with 23,000 in New York City and 11,000 in London.

At the present annual growth rate of 3 percent to 4 percent, the population could reach 12 million in a decade and 15 million by the year 2000.

The rampant growth is worrisome enough that city planners have proposed putting up a "no vacancy" sign and encouraging people already here to move elsewhere. Their idea is to reach a peak population of less than 10 million by 1991.

To many experts outside the government that is an overly ambitious goal. It would involve a sharp reduction in Seoul's 23-percent share of the country's overall population, and some question how it could shrink much, if at all.

A decade or two ago, the principal draw was the money to be earned here. But a national program to improve farm life has helped narrow the gap, to a point where rural wages do not lag far behind the urban per-capita income of \$1,800 a year.

In a sense, the trouble now is caused by relative prosperity. Many more people can afford middle-class aspirations, and Seoul is the only place to satisfy them.

The city produces 40 percent of the gross national product and has one-third of the country's industrial plants. The major cultural institutions are here, as are 41 colleges and universities, including all the prestigious ones essential for getting one's children on the right track toward a good career.

"Young people do not see much future in rural areas," said Kim Ki Hwan, president of an economic research group, the Korean Development Institute. "They move to the city no matter what their problems are."

Those problems cover a range of familiar worries created by rapid expansion.

Piped water is generally adequate; nonetheless, an estimated 500,000 people must do without. Three-fourths of the homes lack flush toilets, and most sewage gets dumped raw into the Han River.

World-class traffic jams strangle parts of town, although the congestion is not as serious as the manic pace on the roads, with drivers and pedestrians locked into a citywide game of chicken. In 1981, the last year with available statistics, there were 40,000 collisions, which meant one car in six was involved in a crash.

Pollution can be insufferable. Few cities have Seoul's natural surroundings — gentle mountains that form a mahogany fringe on three sides. The smog, however, is so thick on many days that the mountains become but a picture-postcard memory.

Winter pollution is particularly severe, because 80 percent of the homes are heated by the "ondol" system — coal briquettes under the floor that funnel warm air through the walls. Besides contributing to the smog, the burning of coal kills entire families every winter, victims of carbon-monoxide poisoning caused by gas leaks.

Exacerbating these troubles is the relentless population boom.

On the city's southern edge, thousands of tiny huts cover the mountainside, reaching so high that locals have taken to calling them "moon villages." Living space there is extremely limited, with some families squeezed into an area of no more than 100 square feet (about 9.3 square meters).

By official count, almost 40 percent of the city's households, or 600,000 families, must double up, creating an average of 2.4 people per

room — four times the ratio in the United States.

An estimated 45,000 housing units have been built in each of the last six years, but the pace has not nearly kept up with the population surge. In fact, these new homes have been seized as a golden opportunity by poorer residents. Rather than move into the apartments themselves, they sell the living rights to others, then stay where they are in squalid villages.

Experiences such as these have led to a certain skepticism about government intentions to ease the crowding. One announced plan calls for building more than 3.5 million housing units nationally in the next 10 years. So far, officials have not been able to provide anything approaching those totals.

Work on Subway

When the government wants to, it has managed to get jobs done in a hurry. The subway, for instance, are being stitched together in record time. If all goes well, they should carry five million commuters a day, taking some of the load from the 8,500 buses wheezing along with nearly 10 million daily riders.

Along the Han River — again with a two-year timetable — engineers have begun to build two sewage treatment plants and carve out parkland as part of a \$464-million development project.

But these tend to be more highly visible programs. Officials make no secret of the fact that a top priority is to improve other countries, both to improve trade and to strengthen diplomatic relations.

Less dramatic, innovations have been slow to arrive, and they sometimes suffer from what one member of the central-city planning commission, Kwon Tai Joon, calls official "oscillation."

At first, the government actively sought low-income housing, then stopped, on the theory that it would only encourage more people to flock to Seoul. Now the construction has resumed. A prominent skyline was considered desirable a decade ago; then height limits were imposed, only to be removed later on.

Even the newspapers, which know they can go just so far in criticizing the authoritarian government of President Chun Doo Hwan, have questioned the government's resolve to control Seoul's population.

Nobody, though, challenges the fundamental goal — to turn the city into something other than the center of the South Korean universe. Essentially, the government wants to create satellite cities by dispersing factories, schools and housing, hence luring migrants who might otherwise drift to Seoul. Details, however, are still in short supply.

There is a popular song here called "Seoul Change," or "Seoul Rhapsody," whose lyrics speak lovingly of "the city where dreams overflow into every street."

These days, dreams are not the only things overflowing into the streets. Inevitably, perhaps, the sprawl has led to debates of the nature that ask whether the glass is half empty or half full, in other words, whether it is all a sign of great stress or vitality.

"Crazy chaos," says a leading architect, Kim Swoo Geun.

Maybe so, says Kim Ki Hwan of the Korean Development Institute. But, he says, it is worth noting that the city has been able to launch even in the face of such rapid growth.

NYSE Index

12 Month										12 Month										12 Month											
High	Low	Stock	Div.	Yld.	P/E	100s	High	Low	Close	High	Low	Stock	Div.	Yld.	P/E	100s	High	Low	Close	High	Low	Stock	Div.	Yld.	P/E	100s	High	Low	Close		
289	11	CRB	0	48		289	289	277	30	117	44	BUS	0	100	100	100	289	289	277	30	117	44	BUS	0	100	100	100	289	289	277	30
12	4	CRB	0	48		12	12	11	34	117	44	BUS	0	100	100	100	117	117	111	44	117	44	BUS	0	100	100	100	117	117	111	44
12	4	CRB	0	48		12	12	11	34	117	44	BUS	0	100	100	100	117	117	111	44	117	44	BUS	0	100	100	100	117	117	111	44
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Tables include the nationwide prices up to the closing on Wall Street.

tax laws to help ailing industries.

Supporters, led by LTV Corp. and a big-business group known as the Basic Industries Coalition, say the bill would allow corporations access to funds that are rightfully theirs anyway and stimulate needed modernization of factories. Opponents say it would be a raid on the Treasury and a misuse of the tax-credit system.

Present law allows corporations to offset 10 percent of capital investment cost against their tax liability. But that incentive to invest and modernize has not had its intended effect because many corporations in the nation's basic-heavy industries have not been profitable, so they cannot take advantage of the credit. They cannot use the credits: LTV, for example, lost \$7.2 million in the first quarter of this year.

The proposed law would allow corporations to draw down 85 percent of the accumulated value of their credits in cash, to help defray the cost of new plant and equipment. The purchase would have to be made before the drawdown, to insure that only sound companies capable of raising funds in the private capital markets, not those in danger of bankruptcy, would benefit.

The companies would have to repay 100 percent of the value of the credits by 1990, but the tax credits against future liabilities would then be restored to them.

Continued

Washington Post Service

The odds against the bill's enactment appear to be long, but just by introducing it the congressmen have set off a new debate among economists and executives about the use of the tax laws to help ailing industries.

Present law allows corporations to offset 10 percent of capital investment cost against their tax liability. But that incentive to invest and modernize has not had its intended effect because many corporations in the nation's basic heavy industries have not been profitable, so they don't have any tax liability and therefore cannot use the credits. LTV, for example, lost \$7.2 million in the first quarter of this year.

The companies would have to repay 100 percent of the value of the credits by 1990, but the tax credits against future liabilities would then be restored to them.

Year	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100																																																																																																																																																																																											
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	7%	Hispanic	0.0	3.3	103	15	126	15	+
13%	4%	Hiroshi	15	22	42	204	12%	12	+
40%	23%	Harold	28	12	14	48	4%	47%	+
40%	22%	Hilton	1.80	3.1	18	155	50%	57%	+
57%	28%	Hiroshi	22%			248	3%	5%	+
57%	34%	Hiroshi	34	1.5	29	587	5%	6%	+
49%	2%	Hiroshi	1.80			188	4%	45%	+
72%	2%	Hiroshi	1.10	11.2	7	7%	9%	7%	+
		Hiroshi	0	0	0	0	0	0	+

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founded the 26th Ramadan 1401 H, corresponding 27 July 1981

Two years ago, on the holy night of "Leilat Al Qadr", DAR AL-MAAL AL-ISLAM was founded. Since then it has undertaken to fulfil an ambitious program to set up Islamic financial institutions including Massaref, Investment and Takaful companies throughout the Islamic world with the objective to permit Muslims to perform their financial dealings in accordance with Islamic Shari'a.

To permit transactions outside "Ummat-al-Islam" DMI has now its own international network.

In or outside the World of Islam, and two years after its foundation, DMI will, "insha-Allah", continue to expand and provide a viable alternative to the riba-based financial system.

On the occasion of "Leilat Al-Qadr", the Board of Supervisors, the Religious Board as well as the staff of DAR AL-MAAL AL-ISLAMI join all Muslims in their Prayers.

- Islamic Investment Companies in Sharja, Bahrain, Sudan, Egypt, Guinea, Niger and Senegal.
- Islamic Takafol Companies in Bahrain, Sudan, Luxembourg.
- Massaref Faysal Al-Islamiah in Bahrain, Sudan, Guinea, Niger, Senegal, Bahamas, United Kingdom and Luxembourg.
- Business Group
 - Rochem, for water purification
 - Spacetratics, for Islamic watch and clock manufacture
 - Ahlan, for Public Relations and Advertising
- Ahlan, member of DMI Group of Companies.

US \$30,000,000.- Floating Rate Notes 1981/1991
Unconditionally Guaranteed by the State of INDIA

Bondholders are hereby informed that the rate applicable for the fourth period of interest has been fixed at 10%.

The coupon n° 4 will be payable at the price of US \$258.93 on the 16th December 1983, representing 183 days of interest, covering the period as from 16th June 1983 to 15th December 1983 inclusive.

The Reference Agent
and Principal Paying Agent
LYONNAIS — LUDON

US \$150,000,000.- Floating Rate Notes

1981/1989 Retractable at noteholder's option in 1985
guaranteed by ENTE NAZIONALE IDROCARBURI - E.N.I.

bondholders are hereby informed that the rate applicable to the fourth
 period of interest has been fixed at 10.94%.

The coupon n° 4 will be payable on the 19th of December 1993, at the
 rate of US\$533.16 representing 185 days of interest, covering the period
 from 15th June 1992 to 19th December 1992.

The Reference Agency
CREDIT LYONNAIS — PARIS

BUSINESS BRIEFS

Nomura, Morgan Guaranty Plan
Joint Trust Company in Japan

TOKYO — Nomura Securities and Morgan Guaranty Trust have signed a basic agreement to set up a jointly owned trust company, the first of its kind in Japan, Tadashi Kusumoto, executive managing director of Nomura Investment Management, said Tuesday.

The Nomura Securities group established NIM in 1979, 90 percent owned by Nomura Research Institute, for investment advisory business. NIM plans to double its 750-million-yen (\$3.12-million) capital. Morgan will acquire the entire capital increase and reorganize NIM into a trust firm, Mr. Kusumoto said.

He said that Nomura had not yet applied to the Finance Ministry for permission to set up the company under trust law and trust business law, but that it had explained the plan to the ministry. Trust business in Japan has been carried out exclusively by trust banks, banking sources said.

Baldwin to Sell Mortgage Banks

CINCINNATI (Reuters) — Baldwin-United has agreed to sell its mortgage banking subsidiaries to E.F. Hutton and Co. for \$100 million in cash, Baldwin said Tuesday.

The company also said it had received \$77.51 million in cash plus accrued interest as a prepayment of a master promissory note of Daniel K. Ludwig, an investor, which was held by two of Baldwin's insurance subsidiaries.

Victor H. Palmieri, Baldwin's president, said the transactions were part of the company's program to dispose of selected subsidiaries and related financial assets in an attempt to generate \$700 million of gross proceeds to Baldwin over the next three years. He said Baldwin hoped to have \$500 million in 1983.

Yamani Calls Oil Prices Stable

HAMBURG (Reuters) — Saudi Arabia's oil minister, Sheikh Ahmed Zaki Yamani, said Tuesday that the world oil price of about \$29 a barrel will hold "until at least the end of 1985."

In an interview to appear in Stern magazine he also said he thought the Organization of Petroleum Exporting Countries' oil production quota of 17.5 million barrels a day would be raised gradually during the next 18 months because of increased demand. There will probably be no need for an output ceiling by 1985, he said.

Krupp Buys Wuppertal Steel

LEVERKUSEN, West Germany (Reuters) — Krupp Stahl has bought a 45-percent share in the Theodor Wuppertal steel company, Wuppertal said Tuesday. Klockner-Werke had been negotiating with Wuppertal on a merger.

Wuppertal said it believed its decision to reject the Klockner offer was in the best interests of its work force. Wuppertal, until now wholly owned by the Wuppertal family, has nominal capital of 24 million Deutsche marks. It had 2.1 million DM (\$840,000) in profit in the business year that ended in September.

Chinese Share Issue Is Detailed

BEIJING (Reuters) — Details of initial plans by the first Chinese company since Communist rule to offer market shares to foreign investors were published Tuesday in the Economic Daily.

Sanhe Ltd. of the Shenzhen special economic zone, near Hong Kong, is setting up four enterprises by issuing 5,000 shares of 10,000 yuan (\$3,050) each in several stages. It will put 28 million yuan into construction of a bakery, a bean-curd products factory and a frozen food factory, the Economic Daily said.

Mexico Unveils Bank Share Plan

MEXICO CITY (NYT) — Stockholders in Mexico's nationalized banks will receive interest-bearing bonds to cover the shares they lost when the government took over financial institutions last fall, the Finance Ministry has announced.

The move is part of the government's continuing effort to restore confidence in its financial system, which was thrown into uncertainty by the debt crisis and subsequent takeover of the banks last August. It also confirmed that the government does not intend to return the banks to private hands soon. No information was available on the total value of the indemnification.

Industrialized Nations Fed Said to Consider Discount Rate Rise
Cut Their Borrowing

PARIS — International borrowing by industrialized nations dropped sharply in June because of a decline in syndicated medium-term Eurocredits and a decrease in dollar-denominated bond issues, the Organization for Economic Cooperation and Development said Tuesday.

Overall international borrowing fell in June to \$10.7 billion from \$12.9 billion in May and \$12 billion in April. Less was borrowed overall during the month despite a steep increase in borrowing by oil-exporting countries and European-based international organizations.

OECD members borrowed \$5.55 billion in June, down from \$10.22 billion in May and \$8.92 billion in April.

The European Community, which began crediting a \$3.7-billion loan to France Tuesday, was the biggest June borrower, with \$2.4 billion, followed by the United States, with \$1.3 billion, Japan, with \$900 million, and Algeria, with \$700 million.

New loans to non-oil-exporting nations fell in June, while funds raised by oil-exporting countries increased \$1.2 billion from May, to \$1.5 billion, and external bonds issued to Europe-based international organizations jumped \$2.21 billion, to \$2.59 billion, during the same period.

External-bond issues in June fell to \$6.27 billion from \$7.30 billion in May and international bank loans dropped to \$4.49 billion from \$5.59 billion in the same period. New international bond offerings

remained at the same level because of an EC floating-rate-note issue of \$1.8 billion, its largest ever.

Eurocredit Is Oversubscribed

The \$1.3-billion seven-year Eurocredit for the EC attracted total underwriting commitments of about \$2.2 billion from 49 lead managers, joint lead manager Chase Manhattan Bank Ltd. said, Reuters reported from London.

Forty-one lead managers out of an invited 53 joined the eight coordinators in the underwriting.

Eurofima Raising
100 Million DM

Compiled by Our Staff From Dispatches

PARIS — Eurofima, the Basel-based company for the financing of European railway rolling stock, said Tuesday it will raise 100 million Deutsche marks (\$39 million) through a seven-year Eurobond lead managed by Deutsche Bank.

The issue bears a coupon of 7½ percent and is priced at 99½ to yield 7.59 percent.

A \$50 million, 15-year convertible Eurobond for Japan's Yamachi Securities was launched Tuesday with an indicated coupon of 5½, lead managed by Credit Suisse First Boston and Yamachi International (Europe).

(Continued from Page 7)

a full year of rapid monetary growth and the beginning of an upturn in total credit demand.

The Treasury is expected to borrow close to \$60 billion this summer, and now that consumers are coming back into the retail stores, they, too, need more financing. Demand for credit in the corporate sector is light now, but according to Philip Braverman of Chase Manhattan Bank, the "visible supply" of new corporate bonds available for sale during the next 12 months reached a new record last week of almost \$60 billion.

Kenneth Froot, an economist at Goldman, Sachs & Co. in New York, cautioned that, despite the huge supply, relatively few issues were likely to come to market in July because corporate treasurers expect rates to be lower later in the year.

William E. Gibson, chief economist of Republicbank Corp. in Dallas, said the rapid money growth and heavy Treasury borrowing demands represent "two

dark clouds on the inflation horizon" that could lead to higher interest rates.

Pressure for an increase in the discount rate, which is by far the most visible symbol of Fed policy, is coming from the credit markets, where interest rates have been rising steadily during the last two months.

At the end of the day Friday, federal funds — overnight interbank loans — were trading close to 10 percent, almost 1½ point above the Fed at the discount rate. As the cost of funds in the open market has increased above the discount rate, so, too, has the amount of reserves that banks have borrowed at the Fed's discount window. Such loans averaged \$1.6 billion in the four weeks ended June 29 (and \$2.1 billion in the single week of June 29), compared with \$962 million in the four weeks ended June 1.

Since early May, the cost of credit has risen by about 1 percentage point. This is not yet a proportion that would seriously threaten the developing recovery in overall economic activity. But analysts are watching for signs of further, potentially troublesome, increases in interest rates.

Albert T. Sommers, chief economist of the Conference Board, predicted shortly before the weekend, "A half-point rise in the discount rate is possible within the next four weeks. New investment in the bond markets is still not warranted. Borrowers who need money in the next six months should borrow now."

The increase in interest rates this spring is symptomatic, analysts said, of a basic policy dilemma now confronting the Fed. Since last summer, the central bank has been adding rapidly to its holdings of

government securities. This action has provided reserves to the banking system, which, in turn has, in effect, financed steady growth in the money supply of almost 13 percent since June 1982.

The initial effect of this policy was to lower interest rates substantially, to provide much of the fuel that is now starting to propel the economy forward rapidly and, more recently, to add to total credit demand. The rate on 90-day Treasury bills hit its low point at the end of August, and the federal funds rate reached its low point last January.

According to Robert M. Sinche, chief economist at Bear, Stearns & Co. in New York, the Fed's actions have been aimed at "pushing interest rates lower," but he warned that this has been at the cost of "raising the potential for future inflation."

Coca-Cola Bottling of New York
Finance N.V.

Curaçao, Netherlands Antilles

Notice of Redemption to Holders of

6½% Convertible Subordinated Debentures

due August 15, 1993

Pursuant to Article Eleven of the Indenture dated as of August 15, 1978 among Coca-Cola Bottling of New York Finance N.V., The Coca-Cola Bottling Company of New York, Inc., and Morgan Guaranty Trust Company of New York, as trustee ("Trustee"), as amended by the First Supplemental Indenture dated August 15, 1982, EACH DEBENTURE WILL BE REDEEMED ON THE DATE, AT THE PRICE AND ON THE TERMS SPECIFIED BELOW:

REDEMPTION DATE: August 15, 1983

REDEMPTION PRICE: \$1,030.00 per Debenture

DEBENTURES TO BE REDEEMED: All outstanding Debentures

INTEREST; COUPONS:

On the Redemption Date, the Redemption Price together with any accrued interest will become due and payable upon each Debenture redemption. The coupon for each Debenture which matures on August 15, 1983 shall be detached and presented for payment in the usual manner. After the Redemption Date interest shall cease to accrue on each such Debenture and coupons maturing after such date shall be void.

HOW TO REDEEM:

Debentures, together with all coupons appertaining thereto maturing after the Redemption Date, are to be surrendered for payment either by hand delivery or by mail, to the Corporate Trust Office of the Trustee in the Borough of Manhattan, The City of New York, the main office of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt/Main, London, Paris and Zurich, Banque Bruxelles Lambert S.A. in Brussels, Banque de l'Indochine et de l'Extrême Orient S.A. in Paris, J. Henry Schroder Wagg & Co. Limited in London, Swiss Bank Corporation in Zurich, Westdeutsche Landesbank Girozentrale in Düsseldorf, Banque Internationale à Luxembourg in Luxembourg and Bank Morgan Labouehere N.V. in Amsterdam, along with the name (and address) in which the cash shall be issued.

CONVERSION:

As a result of certain mergers of which the Debentureholders were previously notified and pursuant to the First Supplemental Indenture, EACH DEBENTURE IS CONVERTIBLE INTO THE RIGHT TO RECEIVE \$1,155.54 IN CASH, without any interest accumulated thereon.

TERMINATION OF CONVERSION:

The right to convert Debentures for \$1,155.54 in cash per Debenture will terminate at the close of business on August 10, 1983. Debentureholders who convert will not be entitled to payment of any interest accrued on the Debentures since August 15, 1982. Debentures surrendered between August 11 and August 14, 1983 will not be converted but will be held for redemption at a rate of \$1,030.00 per Debenture on August 15, 1983.

HOW TO CONVERT:

Holders who desire to convert such Debentures into cash at the rate of \$1,155.54 per Debenture may do so by tendering such Debentures in the same manner described above as Holders who wish to redeem Debentures, provided such Debentures are accompanied by a written notice requesting such conversion and stating the name (with address) in which the cash shall be issued.

As a result of the foregoing, Debentureholders have a right to:

(1) surrender their Debentures for redemption on or after August 15, 1983 and receive \$1,030.00 per Debenture; or

(2) convert their Debentures on or before the close of business on August 10, 1983 and receive \$1,155.54 per Debenture.

COCA-COLA BOTTLING
OF NEW YORK FINANCE N.V.

July 6, 1983

FOR A
MAXIMUM
RETURN
ON
TIME
INVESTED.

An honest solicitation

First Commerce will be concentrating on a bio-tech company being offered to the public, that will leave its mark on the world in the field of nuclear waste, toxic waste and water pollution problems.

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INTERNATIONAL FUNDS

July 5, 1983

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Tuesday's AMEX Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

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Floating Rate Notes

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Wave of Divestitures Is Reversal of Trend

(Continued from Page 7)

electrical motors into one specializing in electronics; Signal Co. is selling all subsidiaries unrelated to high technology, including its Mack Truck division, in a bid to concentrate on engineering and electronics; and Quaker Oats is ridding itself of video games, toys and chemicals to return to its established name-brand consumer products.

No doubt the recession and the severe toll it has taken on profits have helped re-direct corporations in this direction. Divestitures tend to increase to tough times, as companies scramble to raise cash, sell failing operations, or do both.

At the same time, many U.S. corporations spread themselves too thin. Some found they were unable to add the necessary management talent to properly run their acquisitions. Others realized too late that they had lost control of marketing and product development by overly ambitious diversification into unfamiliar territories.

A study undertaken by the point, according to McKinsey & Co., a New York-based management consulting firm, a conglomerate—one that operates a number of unrelated businesses—fared poorest by most measures of performance, and a company that manages several related businesses tends to do best. John Patience, a director of McKinsey, said the firm compiled data on three types of businesses: The first, such as AMP, which makes electronic control switches, sticks to one product and does it very well; a second group, including Procter & Gamble and Hewlett-Packard, that run a large number of related businesses; and a third, conventional conglomerates like Bearcase.

"The reason the company that sticks to only one product places second is probably because that market eventually matures, and as a result growth slows," said Mr. Patience. The most important lesson from all this, he said, is simply that "conglomerate managements have shown they cannot manage new businesses well."

And apparently this message is being heard loud and clear. "I'd

say that 90 percent of the companies I speak to are undertaking or considering a divestiture," said Richard Bingham, head of mergers and acquisitions for Lehman Brothers Kuhn Loeb, a major investment banking house. According to public figures, the three most active firms in divestitures—Lehman Brothers, Goldman Sachs & Co. and First Boston—handled 48 in 1982, compared with only 13 in 1981, and only 13 in 1980.

Two years before. And this year's rate at Lehman so far is outpacing year-earlier levels.

"Expansion for its own sake is no longer considered good," said Mr. Lewis of Strategic Planning Associates.

The roots of the new corporate attitude are deep. The litany of economic problems are familiar: Productivity growth has been slowing since the mid-1960s; real wages are down to the levels of the early 1960s, and despite the bull market, stock prices discounted for inflation are still low.

To some these explanations are too pat. Geoffrey Boss, who heads mergers and acquisitions for Goldman Sachs, believes that corporations have not completely abandoned the portfolio approach to management. "Corporations learned how to assess their businesses as portfolios in the 70s," he explained. "They relied more heavily on financial criteria than on product quality, marketing control and distribution outlets to manage their businesses. Now they see that some of these businesses don't belong. Divesting a company from the portfolio is not all that different in philosophy from adding one through an acquisition."

And Mr. Kantrow of Harvard says it remains to be seen whether the current divestitures are the first step in an ongoing change in strategy, or just a reaction to recent problems.

Whatever management's reasoning, there is another important impetus to the strategy shift: Wall Street likes the new streamlining. On the basis of their divestiture plans, companies such as Bearcase, Quaker Oats and Signal have received strong buy recommendations from analysts.

International Herald Tribune

We've got news for you.

Over-the-Counter

NASDAQ National Market Prices

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Standard Oil Company

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SPORTS

Buried on the Fourth of July

By Ira Berkow
New York Times Service

NEW YORK — It was a week ago, in the morning, and in the shadows in a corner of the living room Joe Delaney, 24, sat and quietly played the guitar.

It was in the house of his mother, in an old wooden structure on Madison Street in the town of Hampton, a hamlet with fewer than a thousand people, in the northwest corner of Louisiana. It was here that Joe Delaney, small for his age, grew up the second son of Woodrow Delaney, who drove a truck that hauled cattle, and Eunice, who worked six and seven days a week as a housekeeper at the First Baptist Church.

The boy grew up the third of eight children that included Alma Jean and Lucille, the oldest, and Betty Rae and Lois Faye and Joanne and Willie B. and Amos Earl. Other relatives moved in and out of the house and the kids were hand-me-downs and fished in nearby streams and Joe got to love family life and home-cooking, especially buttered rice, of which he could eat a whole potful.

"I remember the guitar-playing that morning last week," said his sister Lucille. "It woke me up, and I got out of bed and walked in and saw Joe there. It was like he was thinking over a problem. It wasn't like he was just playing. He was thinking. I didn't ask him about it. Joe was a private person. But looking back now, I wonder if he didn't feel that something was going to happen."

Lucille Delaney said that she and Joe and Uncle Frankie Joe formed a trio and she sang and wrote songs and Frankie Joe played piano and they entertained themselves with an amplifier.

"I wrote 'This Old Rainy Day' which was one of Joe's favorites," she said. "And so was 'Glow Love,' but the one he said he thought we should record was 'Save The Last Dance For Me.'"

"And we were planning on making a cassette of it on Sunday. We were going to cut that record and then he was headed back to Kansas City, where he was going to do some training or promotional work with the Chiefs. But Joe didn't quite make it."

Joe Delaney had bought a lot down the street from his mother's house — his father died in 1978 — and then built a house, a modest house, according to Lucille, for he wasn't an extravagant guy, even now when he could afford some luxuries. It was a house in which he lived with his wife, Carolyn — she had grown up down the street from the Delaneys — and their three young daughters.

On mornings when he was home from Kansas City, Delaney would stop by his mother's place and ask if there was anything he could do, anything she needed.

"Joe was always like that," said Lucille. "He just seemed to care about people. Maybe this sounds corny to some people. But Joe was genuinely like that."

But Delaney had his ambitions, to be sure. Said Lucille: "I remember when he was in the seventh grade, a little kid, and he said to our mother, 'Mama, I'm gonna be a football player. I'm gonna make you proud of me one day.' He was so small, we all laughed at him. I mean, it just seemed impossible that he'd ever make professional football."

Delaney became a star running back in high school, though, and colleges came from all over to court him.

He chose Northwestern State, in Natchitoches, because it was nearby and because the coach made him a promise.

"We were a team that threw the football and he asked me if he would be a wide receiver if he came to our school," said A.L. Williams, now at Louisiana Tech, but then the head coach at Northwestern State. "Joe said he wanted to play pro ball and it was at wide receiver where he thought he'd have a shot. I said yes, he'd play wide receiver."

But when practice began, the team's tailback got hurt, and there was little depth at that position.

"Joe knew we were in trouble," said Williams, "and he walked up to me and said, 'I'll can help the team at tailback, I'll switch.'"

"I said, 'You came here as a wide receiver — it's your decision.'"

"And so he played tailback. Not too well in his first year, but he was much better as a sophomore. He was small — 5-9, 180 pounds — but he was fast and explosive. He'd see an opening and he'd burst through. When he was a junior he became a star."

The school retired his jersey, No. 44.

Joe Delaney was drafted by the National Football League Kansas City Chiefs. And made the team. In his rookie season, 1981, he rushed for 1,121 yards and had 246 yards in pass receiving. He was named the American Conference rookie of the year.

Oddly enough, he played the entire season with a detached retina. The vision problem was diagnosed after the season and it could have ended his career. But he wore protective goggles for part of the 1982 season, before doctors then in favor of contact lenses. He also suffered a knee injury and his production, in the strike-shortened season, was slowed. He rushed for just 380 yards in nine games.

After Delaney's first season, Les Miller, the Chiefs' director of player personnel, visited Williams. "I just wanted to tell you something about one of our former players," he said.

"Why, something happened?" asked Williams.

"No, I just wanted to say how unique Joe Delaney is. He's probably the hardest working and most popular player on the team. He's even an influence on the veterans, and usually it's the other way around."

Joe Delaney also enjoyed involvement with youngsters. Last Wednesday he drove 100 miles from Hampton to Monroe, Louisiana, to attend "Kids Day" in Chenail Park.

He was playing softball when he heard screams. Three young boys were in trouble in a rain-filled pit created by construction of a water slide. Joe Delaney ran to help.

"There was a little boy who was next to the pit and he was interviewed on television after it happened," said Lucille Delaney. "And he said someone asked Joe, 'Can you swim?' And Joe said, 'I can't swim good but I've got to save those kids.' And then he said, 'I'll don't come up — go get somebody.'"

The boy had been playing in the pit and hadn't realized how deep it was. Delaney, not a good swimmer, tried to help, but one youngster drowned and another died the next day the third survived. But Joe Delaney needed help. It came too late.

Monday afternoon in Hampton, Louisiana, they buried Joe Delaney, a local football hero.

Righetti's No-Hitter Beats Boston for Yankees, 4-0

Compiled by Our Staff From Dispatches

NEW YORK — Dave Righetti, who a year ago had been banished to the minor leagues, pitched the New York Yankees' first no-hitter in 27 years in a 4-0 victory over the Boston Red Sox Monday.

Righetti, 24, walked four batters and struck out nine, including seven of the first nine who came to bat. He gained his second shutout in six days — after having had none in his first 60 major-league starts.

He stymied the hot-hitting Red Sox so effectively that they hit only two balls that had a chance to become hits, one in the fourth inning and the other in the sixth, but third

baseball roundup

baseballer Bert Campaneris and shortstop Roy Smalley tossed these plays into routine outs.

When Righetti struck out Wade Boggs, the major-league leader in hits, for the final out, Yankees catcher Butch Wynegar joyfully charged the mound. "For one split second, I was blank," Righetti said after registering his 10th victory against three losses.

"I just kind of looked at Butch and I saw him coming and I said, 'Oh, geez.' I just leaned on him and held onto him. I didn't want to fall on the ground."

The exuberant scene, with Righetti swarmed under by his teammates, was the first of its kind for the Yankees since Don Larsen pitched a perfect game against the Brooklyn Dodgers in the fifth game of the 1956 World Series. Allie Reynolds pitched the last Yankee regular-season no-hitter against Boston on Sept. 28, 1951.

In 1981, Righetti was named the American League's rookie of the year. But by the end of June 1982, principal owner George Steinbrenner, disappointed with his pitching, sent him to the Yankee farm club in Columbus, Ohio, where he remained for three weeks.

There has been nothing disappointing about Righetti this year, and Monday he shut down a team that in its last three games had racked up 25 runs on 38 hits, including 9 homers.

He struck out Jerry Remy, Roger and Tony Armas in the first inning. In the second he fanned Dwight Evans and Dave Stapleton and an incoming later struck out Jeff Newman and Glenn Hoffman.

With two out in the fourth, Armas hit a slow roller toward third. Campaneris, playing deep, charged the ball, scooped and threw in time to get the speedy Armas.

With one out in the sixth, Hoffman hit a low bloop over Smalley's head. "I thought it might be tough," the shortstop said, "but I took two or three steps and hit the outfield grass. I knew I could get it and at least I didn't catch it, it would be an error." But he caught it.

Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.	GB
New York	10	6	.625	0
Texas	9	7	.563	1
California	8	8	.500	2
Seattle	7	9	.438	3
Los Angeles	6	10	.375	4
San Francisco	5	11	.313	5
Oakland	4	12	.250	6
Minnesota	3	13	.188	7
Chicago	2	14	.125	8
St. Louis	1	15	.063	9
Philadelphia	0	16	.000	10

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Philadelphia	2	14	.125	8
New York	1	15	.063	9

Team	W	L	Pct.	GB
Seattle	10	6	.625	0
San Diego	9	7	.563	1
Los Angeles	8	8	.500	2
San Francisco	7	9	.438	3
Oakland	6	10	.375	4
Minnesota	5	11	.313	5
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The best defensive play was made by Steve Kemp, who leaped against the wall in foul territory in right field and snared Evans' fly for the first out in the eighth.

"Even though it couldn't be a hit," Righetti said, "it pumped me up. I said, 'It's my day.'"

The Yankees gave left-hander Righetti all the help he needed. Successive singles by Kemp, Smalley and Andre Robertson produced a run in the first off John Tudor. Don Baylor hit his ninth home run in the sixth. In the eighth, the Yankees loaded the bases and Kemp lined a single to right for two runs.

Righetti took the mound in the ninth amid a standing ovation from a crowd of 41,077. "I was nervous, definitely, without a doubt," he said. "Everybody was nervous. They were making me nervous. I didn't look in the dugout because I didn't want to get more nervous."

"But I calmed down. I was enjoying the fans. I was enjoying being a Yankee."

White Sox 12, Twins 6

In Minneapolis, rookie Greg Walker, who earlier had hit a two-run homer, delivered a bases-clearing double to highlight a four-run eighth as Chicago clobbered Minnesota, 12-6. Dennis Lamp (5-5) relieved Floyd Bannister with two out in the third and held the Twins to one run the rest of the way.

Royals 5, Angels 1

In Anaheim, California, before a league-high crowd of 63,132, Paul Splittorff pitched a four-hitter and Leon Roberts drove in two runs to pace Kansas City to a 5-1 triumph over California.

Braves 9, Indians 3

In Cleveland, Ben Oglivie hit his fourth career grand-slam home run and Ted Simmons singled home two

runs to power Milwaukee to an 8-3 victory over the Indians. Gorman Thomas homered for Cleveland.

